



Amendment No. 3
To
Contract No. PA130000057
For
Rolling Owner Controlled Insurance Program (ROCIP VI)
Between
Marsh USA, Inc.
dba Marsh USA
and the
City of Austin

- 1.0 The City hereby exercises an administrative increase of \$61,000.00 to the above referenced contract.
- 2.0 The City hereby extends the contract beyond the initial term by adding five (5) twelve (12) month automatic extension options at the City's sole option unless the Contractor is notified in writing no less than sixty days prior to the contract's expiration. Extensions are only for time and do not include funding.
- 3.0 Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the deliverables due under this Contract (not exceed 120 calendar days unless mutually agreed on in writing).
- 4.0 The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 07/15/2013 – 07/15/2019	\$875,000.00	\$875,000.00
Amendment No. 1: Clarify Payment Process, Update Contract Amount, Add Liberty Mutual Insurance Group as Premium and Loss Recipient 08/23/2013	\$6,455,000.00	\$7,330,000.00
Amendment No. 2: Add and Exercise Provision for 120-Day Holdover. Add Administrative Increase 07/16/2019 – 11/15/2019	\$59,000.00	\$7,389,000.00
Amendment No. 3: Add Administrative Increase. Add five (5) twelve (12) month automatic extension options. Option 1 – Contract 11/16/19 - 11/15/2024	\$61,000.00	\$7,450,000.00

- 5.0 MBE/WBE goals do not apply to this contract.
- 6.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 7.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

Printed Name: JOHN J. EGAN
Authorized Representative

Marsh USA, Inc.
10900 Stonelake Boulevard, 3rd Floor
Austin, Texas 78759-5795
(512) 306-5411
john.j.egan@marsh.com

Sign/Date:

Cyrenthia Ellis
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



**Amendment No. 2
to
Contract No. PA130000057
for
Rolling Owner Controlled Insurance Program (ROCIP VI)
Administration Services
between
Marsh USA Inc.
DBA Marsh USA
and the
City of Austin**

- 1.0 The City hereby amends the above referenced contract to make the following changes:
 - 1.1 Add Paragraph 4.1.1:

"Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the deliverables due under this Contract. Any hold over period will not exceed 120 calendar days unless mutually agreed on by both parties in writing."
 - 1.2 Exercise the holdover provision added in Paragraph 4.1.1 to extend the expiration date of the Contract to July 15, 2019.
 - 1.3 Add an administrative increase of \$59,000, updating the Contract not-to-exceed amount as shown in Paragraph 4.0 herein.
- 2.0 The fee paid to Contractor for the holdover period shall be \$85,000, payable in two equal installments. The first installment shall be invoiced by Contractor in June 2018 and the second in December 2018, with payment to be made by the City in accordance with Paragraph 3.3 of the Contract.
- 3.0 Paragraph 3.4 "Retainage" of the Contract shall not apply to this holdover period fee.
- 4.0 The total Contract amount is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 07/15/2013 – 07/14/2018	\$875,000.00	\$875,000.00
Amendment No. 1: Clarify Payment Process, Update Contract Amount, Add Liberty Mutual Insurance Group as Premium and Loss Recipient 08/23/13	\$6,455,000.00	\$7,330,000.00
Amendment No. 2: Add Holdover Provision, Exercise Holdover, Add Administrative Increase 04/25/18	\$59,000.00	\$7,389,000.00


5.0 MBE/WBE goals were not established for this contract.

6.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURE(S) affixed below, this Amendment is hereby incorporated and made a part of the above referenced contract. This contract amendment shall become effective on the date executed by the City.

Signature & Date:

 4/26/18

Printed Name: JOHN J. EGAN

Marsh USA Inc.

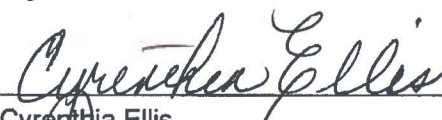
10900 Stonelake Blvd., 3rd Floor

Austin, TX 78759-5795

(512) 306-5411

John.J.Egan@marsh.com

Signature & Date:



Cyrenthia Ellis

Procurement Manager

City of Austin Purchasing Office



Amendment No. 1
to
Contract No. MA 5800 PA 130000057
between
Marsh USA, Inc. and the
City of Austin
for
Administrative and Insurance Procurement Services
associated with the
Rolling Owner Controlled Insurance Program (ROCIP VI)

- 1.0 In accordance with Section 7.16, Modifications of the Contract, City and Marsh USA, Inc. (hereinafter "Contractor") agree to amend to execute a zero cost (\$0.00) amendment adding provision(s) acknowledging that the City will make insurance premium and loss payments directly to the selected insurance carrier, Liberty Mutual Insurance Group.
- 2.0 Delete Paragraph 3.1 of the Contract and replacing the current text in its entirety as follows:
- The Contractor will be paid a total-not-exceed amount of \$1,580,000 for the Contract Term (\$875,000 as compensation to Contractor for administrative services, and \$705,000 Excess Liability). Payment of Contractor's compensation shall be made upon successful completion of services and submission of proper invoices to the Risk Management Department of City.
- 3.0 Add the following as Section 3.1.1 to the Contract
- It is acknowledged that an amount of \$5,750,000 shall be payable by the City directly to Liberty Mutual Insurance Group for insurance premiums and loss payments to policies supporting ROCIP VI.
- 4.0 All other terms and conditions of the contract remain in full force and effect.

BY THE SIGNATURES affixed below, Amendment No.1 is hereby incorporated into and made a part of the above-referenced contract.

Signature: Denise Lucas
Printed Name: Denise Lucas
Authorized Representative
City of Austin
Purchasing Office

Date: 8/23/2013

Signature: John J. Egan
Printed Name: JOHN J. EGAN
Authorized Representative
Marsh USA, Inc.
4400 Comerica Bank Tower,
1717 Main Street
Dallas, Texas 75201

Date: 8/23/13



Financial and Administrative Service Department
Purchasing Office
PO Box 1088, Austin, Texas, 78767

July 30, 2013

Marsh USA, Inc.
Attn. Mr. Egan
4400 Comerica Bank Tower
1717 Main Street
Dallas, TX 75201

Dear Mr. Egan,

The City of Austin approved the execution of a contract with your company for Rolling Owner Controlled Insurance Program (ROCIP VI) Administration Services in accordance with the following:

Responsible Department:	Human Resources
Department Contact Person:	Leslie Milvo
Department Contact Email Address:	Leslie.Milvo@austintexas.gov
Department Contact Telephone:	512-974-3245
Project Name:	ROCIP VI Administration Services
Contractor Name:	Marsh USA, Inc.
Contract Number:	MA 5800-PA130000057
Contract Period:	07/15/13 – 7/14/2018
Contract Amount:	\$875,000 NTE and in accordance with City of Austin and Marsh USA, Inc Agreement for these services.
Extension Options:	N/A
Requisition Number:	RQM 5800-12102400045
Agenda Item Number:	23
Council Approval Date:	05/09/13

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

A handwritten signature in cursive script that reads "Rosemary Ledesma".

Rosemary Ledesma
Corporate Purchasing Manager
City of Austin
Purchasing Office
Financial Services Department

Enclosure – Executed Contract

**CONTRACT BETWEEN THE CITY OF AUSTIN
AND
MARSH USA, INC.**

**For
Rolling Owner Controlled Insurance Program (ROCIP VI) Administration Services**

This Contract is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Marsh USA, Inc. ("Contractor"), having offices at 4400 Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201.

SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES

1.1 Engagement of the Contractor. Subject to the general supervision and control of the City and subject to the provisions of the Terms and Conditions contained herein, the Contractor is engaged to provide the services set forth in Section 2, Scope of Work.

1.2 Responsibilities of the Contractor. The Contractor shall provide all technical and professional expertise, knowledge, management, and other resources required for providing the commodities identified in Section 2. In the event that the need arises for the Contractor to provide deliverables beyond those stated in the Section 2, the Contractor and the City shall negotiate mutually agreeable terms and compensation for such.

1.3 Responsibilities of the City. The City's Contract Manager will be responsible for exercising general oversight of the Contractor's activities in delivering the commodities. Specifically, the Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress.

1.4 Designation of Key Personnel. The Contractor's Contract Manager for this engagement shall be John Egan, Phone: (214)303-8125. The City's Contract Manager for the engagement shall be Leslie Milvo (512)974-3245. The City's and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor will promptly notify the City Contract Manager and obtain approval for the replacement. Such approval shall not be unreasonably withheld.

SECTION 2. SCOPE OF WORK.

2.1 Contractor's Obligations. The Contractor shall fully and timely provide all deliverables described in the Contract Scope of Work, attached hereto as Exhibit A, and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2.1.1 In the event there is a significant change in the Contractor's Obligations and Scope of Work which affects the nature and scope of the Contract, Contractor and City agree to renegotiate Contractor's compensation in good faith.

2.2 Tasks. In order to accomplish the work described here, the Contractor shall perform each of the following tasks as described in the Contract Scope of Work attached hereto as Exhibit A.

SECTION 3. COMPENSATION:

3.1 Contract Amount. The Contractor will be paid a total not-to-exceed amount of \$875,000 for the contract term. Payment shall be made in equal quarterly installments upon written acceptance of the deliverables by the City. Contractor will earn and retain interest income on premium payments held by Contractor on behalf of

insurer's during the period between receipt of such payments from the City and the time such payments are remitted to the applicable insurer, where permitted by applicable law.

3.2 Invoices

3.2.1 The Contractor shall submit separate Invoices in duplicate on each purchase order or delivery order after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.

3.2.2 Invoices shall contain a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department. Invoices shall be itemized. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources
Attn:	Leslie Milvo
Address:	P.O. Box 1088
City, State, Zip Code	Austin, Texas 78767

3.2.3 Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

3.2.4 In certain cases, placement which Contractor makes in connection with the Program (as defined in Exhibit A-Scope of Work) may require the payment of insurance premium taxes (including U.S. Federal excise taxes) use taxes, excess or surplus lines or similar taxes and/or fees to federal or state or foreign regulators, boards or associations. The City will pay such taxes and fees whenever assessed. Contractor will identify such taxes on invoices covering these placements. Any such taxes and fees collected by Contractor will be promptly remitted by Contractor to the appropriate authorities. City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate for such City sales taxes upon request.

3.3 Payment

3.3.1 All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.

3.3.2 If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.

3.3.3 The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;

3.3.3.1 delivery of defective or non-conforming deliverables by the Contractor;

3.3.3.2 third party claims, which are not covered by the insurance which the Contractor is required to provide, or which have not been otherwise filed

3.3.3.3 failure of the Contractor to pay Subcontractors, or for labor, materials or equipment,

3.3.3.4 damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor

3.3.3.5 reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

3.3.3.6 failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or

3.3.3.7 failure of the Contractor to comply with any material provision of the Contract Documents.

3.3.4 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.3.5 Payment will be made by check or electronic funds transfer for all goods and services provided under the Contract. a.

3.4 **Retainage:** The City reserves the right to withhold a 10 percent (%) retainage until completion of all work required by the Contract. The Contractor's invoice shall indicate the amount due, less the retainage. Upon final acceptance of the work, the Contractor shall submit an invoice for the retainage to the City and payment will be made as specified in the Contract. Payment of the retainage by the City shall not constitute nor be deemed a waiver or release by the City of any of its rights and remedies against the Contractor for recovery of amounts improperly invoiced or for defective, incomplete or non-conforming work under the Contract.

3.5 **Non-Appropriation.** The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

3.6 **Travel Expenses:** All travel, lodging, and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Contract will be reviewed against the City's Travel Policy and the current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulation.

3.7 **Final Payment and Close-Out**

3.7.1 If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the project manager or contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.

3.7.2 The making and acceptance of final payment will constitute:

3.7.2.1 a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

3.7.2.2 a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

SECTION 4. TERM AND TERMINATION

4.1 **Term of Contract.** This Contract shall become effective on the date executed by the City ("Effective Date") and shall remain in effect for a term of sixty (60) months and administrator services must continue until all the applicable ROCIP programs are considered closed and final by the insurance carrier, the City and the Contractor.

4.2 **Right To Assurance:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

4.3 **Default:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under the "Right to Assurance paragraph herein, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by Contractor to the City.

4.4 **Termination For Cause:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

4.5 **Termination Without Cause:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof. Upon termination or expiration of this Contract, Contractor will assist the City in arranging a smooth transition process.

4.6 **Fraud:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

SECTION 5. OTHER DELIVERABLES

5.1 **Insurance:** The following insurance requirement applies.

5.1.1 General Requirements

5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.

5.1.1.2 The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request from the City.

5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.

5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

5.1.1.5 The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

5.1.1.6 The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.

5.1.1.7 All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall be mailed to the following address:

City of Austin
Purchasing Office
P. O. Box 1088
Austin, Texas 78767

5.1.1.8 The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

5.1.1.9 If insurance policies are not written for amounts specified in Paragraph 5.1.2, Specific Coverage Requirements herein, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

5.1.1.10 The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

5.1.1.11 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits,

and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

5.1.1.12 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

5.1.1.13 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

5.1.1.14 The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

5.1.2 **Specific Coverage Requirements.** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

5.1.2.1.1 Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.

5.1.2.1.2 Contractor/Subcontracted Work.

5.1.2.1.3 Products/Completed Operations Liability for the duration of the warranty period.

5.1.2.1.4 Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.

5.1.2.1.5 Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage.

5.1.2.1.6 The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

5.1.2.2.1 Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage.

5.1.2.2.2 Thirty (30) calendar days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage.

5.1.2.2.3 The City of Austin listed as an additional insured, Endorsement TE 9901B, or equivalent coverage.

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions and endorsements:

5.1.2.3.1 The Contractor's policy shall apply to the State of Texas.

5.1.2.3.2 Waiver of Subrogation, Form WC 420304, or equivalent coverage.

5.1.2.3.3 Thirty (30) calendar days Notice of Cancellation, Form WC 420601, or equivalent coverage.

5.1.2.4

Professional Liability Insurance

5.1.2.4.1 The Contractor shall provide coverage, at a minimum limit of \$5,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

5.1.2.4.2 If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

5.1.2.5 **Endorsements.** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

5.2 **Equal Opportunity**

5.2.1 **Equal Employment Opportunity:** No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached hereto as Exhibit B. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

5.2.2 **Americans With Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

5.3 **Acceptance of Incomplete or Non-Conforming Deliverables:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

5.4 **Delays:**

5.4.1 The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified herein. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

5.4.2 Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

5.5 **Rights to Proposal and Contractual Material:** All material submitted by the Contractor to the City, with the exceptions listed below, shall become public property of the City upon receipt and is subject to the Texas Open Records Act, Chapter 552, Texas Government Code. If proposer does not desire proprietary information in the materials to be disclosed, each page must be identified and marked proprietary at the time of submission. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information is disclosed, however, lies with the Texas Attorney General. Failure of Contractor to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

5.5.1 All documents, materials, and computer software used by or developed by or for Contractor shall be deemed proprietary to Contractor and remain the sole property of Contractor, including:

- Risk information systems including MWrap
- Financial analyses and models
- Templates of Wrap-Up Programs/Insurance, claim, and safety manuals
- Templates of Wrap-Up related bid documents
- Insurance deduction management plan
- Stewardship/management report templates
- Underwriting specifications

Shall be deemed proprietary to Contractor and remain the sole property of Contractor.

5.6 **Publications:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

5.7 **Ownership and Use of Deliverables:** The City shall own all rights, titles, and interest throughout the world in and to the Deliverables. Notwithstanding, anything to the contrary contained in this Agreement, it is understood and agreed that Contractor shall retain all of its rights in its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by Contractor prior to, or acquired by Contractor during, the performance of this Agreement and the same shall not be deemed works made for hire and Contractor shall not be restricted in any way with respect thereto

SECTION 6. WARRANTIES

6.1 **Warranty – Services:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

6.1.1 The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

6.1.2 If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

6.2 Warranty-Price:

- A. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any other matter relating to such fees with any other firm or with any competitor.

SECTION 7. MISCELLANEOUS

7.1 **Significant Event:** The Contractor shall immediately notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

7.1.1 disposal of major assets;

7.1.2 any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract;

7.1.3 any significant termination or addition of provider contracts;

7.1.4 the Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;

7.1.5 strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this contract;

7.1.6 reorganization, reduction and/or relocation in key personnel such as, but not limited to, customer service representatives or claims adjusters;

7.1.7 known or anticipated sale, merger, or acquisition;

7.1.8 known, planned or anticipated stock sales;

7.1.9 any litigation filed by a member against the Contractor; or

7.1.10 significant change in market share or product focus.

7.2 Right To Audit

7.2.1 The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract, with the exception of internal correspondence of the Contractor. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to

the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.

7.2.2 The Contractor shall include this provision in all subcontractor agreements entered into in connection with this Contract.

7.3 **Stop Work Notice:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

7.4 **Indemnity:**

7.4.1 Definitions:

7.4.1.1 "Indemnified Claims" shall include any and all third party claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:

7.4.1.1.1 damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

7.4.1.1.2 death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

7.4.1.2 "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

7.5 **Limitation of Liability:** Notwithstanding anything else in this Contract or otherwise, except with respect to excepted claims, neither party will be liable or obligated with respect to this agreement under any theory of contract recovery, including strict liability or other legal or equitable theory for damages in any amounts in excess of five (5) times the contract amount. To clarify, "excepted claims" means damage claims for (i) property damages or damages for bodily injury or death (ii) damages attributable to gross negligence, intentional or willful misconduct, (iii) damages attributable to breach of confidentiality by contractor (including loss or disclosure of City confidential information); (iv) any claim made pursuant to insurance contractor is required to maintain under this contract.

7.6 **Claims:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of

notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.7 Notices: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:

City of Austin, Purchasing Office

ATTN: Leslie Milvo

P O Box 1088

Austin, TX 78767

To the Contractor:

Marsh USA, Inc.

ATTN: John Egan

4400 Comerica Bank Tower, 1717 Main St.

Dallas, Texas 75201

7.8 Confidentiality: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

7.8.1 The Contractor may release the Confidential Information to insurers and other financial institutions relevant to the underwriting and/or evaluation of the City's risks and the processing of its claims, provided that such insurers and financial institutions are informed of the confidential nature of such information.

The restrictions and agreements set forth above shall not apply to any Confidential Information: (a) which at the time disclosed to or obtained by Contractor is in the public domain; (b) which becomes part of the public domain through no act, omission or fault of Contractor; (c) which Contractor's records demonstrate was developed independently by Contractor or was received by Contractor from a third party which Contractor had no reason to believe had any confidentiality or fiduciary obligation to the City with respect to such information; (d) which is required to be disclosed by law, including, without limitation, pursuant to the terms of a subpoena or other similar document; provided, however, Contractor shall, to the extent practical, give prior timely notice of such disclosure to the City to permit the City to seek a protective order, and, absent the entry of such protective order, Contractor shall disclose only such Confidential Information that Contractor is advised by its counsel must be disclosed by law..

7.9 Advertising: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

7.10 No Contingent Fees: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this

warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

7.11 **Gratuities:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

7.12 **Prohibition Against Personal Interest In Contracts:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

7.13 **Independent Contractor:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.

7.14 **Assignment-Delegation:** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

7.15 **Waiver:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

7.16 **Modifications:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

7.17 **Interpretation:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

7.18 **Dispute Resolution**

7.18.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a

written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

7.18.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

7.19 **Minority And Women Owned Business Enterprise (MBE/WBE) Procurement Program:**

7.19.1 All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.

7.19.2 The City of Austin has determined that no goals are appropriate for this Contract. **Even though no goals have been established for this Contract, the Contractor is required to comply with the City's MBE/WBE Procurement Program, Chapters 2-9A, 2-9B, 2-9C and 2-9D, of the City Code, as applicable, if areas of subcontracting are identified.**

7.19.3 If any service is needed to perform the Contract and the Contractor does not perform the service with its own workforce or if supplies or materials are required and the Contractor does not have the supplies or materials in its inventory, the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Contractor must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

7.20 **SUBCONTRACTORS**

7.20.1 If the Contractor Identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan, the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly

Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

7.20.2 Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:

7.20.2.1 require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract.

7.20.2.2 prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

7.20.2.3 require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

7.20.2.4 require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

7.20.2.5 require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

7.20.3 The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

7.20.4 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten days after receipt of payment from the City.

7.21 **Living Wages and Benefits** (applicable to procurements involving the use of labor)

7.21.1 In order to help assure low employee turnover, quality services, and to reduce costs for health care provided to uninsured citizens, the Austin City Council is committed to ensuring fair compensation for City employees and those persons employed elsewhere in Austin. This commitment has been supported by actions to establish a "living wage" and affordable health care protection. Currently, the minimum wage for City employees is \$11.00 per hour. This minimum wage is required for any Contractor employee directly assigned to this City Contract, unless Published Wage Rates are included in this solicitation. In addition, the City may stipulate higher wage rates in certain contracts in order to assure quality and continuity of service.

7.21.2 Additionally, the City provides health insurance for its employees, and for a nominal rate, employees may obtain coverage for their family members. Contractors must offer health insurance with optional family coverage for all Contractor employees directly assigned to this contract. Proof of the health care plan shall be provided prior to award of a Contract. In addition, an insurance certificate for Workers' Compensation Insurance Coverage must be provided if required by the solicitation.

7.21.3 The City requires Contractors to provide a signed certification within five (5) calendar days of contract execution certifying that all employees directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$11.00 per hour and are offered a health care plan (see Exhibit C, Living Wages and Benefits Contractor Certification). The certification shall include a list of all employees directly

assigned to providing services under the resultant contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.

7.21.4 The Contractor shall maintain throughout the term of the resultant contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA). Basic employment records shall at a minimum include:

7.21.4.1 employee's full name, as used for social security purposes, and on the same record, the employee's identifying symbol or number if such is used in place of name on any time, work, or payroll records;

7.21.4.2 time and date of week when employee's workweek begins;

7.21.4.3 hours worked each day and total hours worked each workweek;

7.21.4.4 basis on which employee's wages are paid;

7.21.4.5 regular hourly pay rate;

7.21.4.6 total daily or weekly straight-time earnings;

7.21.4.7 total overtime earnings for the workweek;

7.21.4.8 all additions to or deductions from the employee's wages;

7.21.4.9 total wages paid each pay period; and

7.21.4.10 date of payment and the pay period covered by the payment.

7.21.5 The Contractor shall provide with the first invoice and as requested by the Department's Contract Manager, Individual Employee Certifications for all employees directly assigned to the contract containing (see Exhibit C, Living Wages and Benefits Employee Certification):

7.21.5.1 the employee's name and job title;

7.21.5.2 a statement certifying that the employee is paid at a rate equal to or greater than the Living Wage of \$11.00 per hour;

7.21.5.3 a statement certifying that the employee is offered a health care plan with optional family coverage.

7.21.6 The employee certifications shall be signed by each employee directly assigned to the contract.

7.21.7 Contractor shall submit employee certifications quarterly with the respective invoice to verify that employees are paid the Living Wage throughout the term of the Contract.

7.21.8 The Department's Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right to review employee records identified above in this paragraph verify compliance with this provision.

7.22 **Jurisdiction And Venue:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be

construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

7.23 **Holidays:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

7.24 **Survivability of Obligations:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

7.25 **Non-Suspension or Debarment Certification:** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.26 **Incorporation of Documents:** Section 0100, **Standard Purchase Definitions**, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address: <http://www.austintexas.gov/sites/default/files/files/Finance/Purchasing/standard-purchase-definitions.pdf>.

7.27 **Order of Precedence:** The Contract includes, without limitation, this Contract, the Offer submitted in response to the Solicitation, and the Contract award. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order.

7.27.1 This Contract; and any Amendments thereto

7.27.2 the Offer and exhibits within the Offer

In witness whereof, the parties have caused duly authorized representatives to execute this Contract on the dates set forth below.

Marsh USA, Inc.

By: John J Egan

Signature

Name: John J Egan

Printed Name

Title: Senior Vice President

Date: 07/15/13

CITY OF AUSTIN

By: Jeff Dilbert

Signature

Name: JEFF DILBERT

Printed Name

Title: Corporate Purch. Mgr.

Date: 7/16/13

By: N/A

Signature

Name: Yolanda Miller, C.P.M., CPPO

Title: Deputy Purchasing Officer

Date: _____

List of Exhibits

Exhibit A – Contract Scope of Work

Exhibit B – Non-Discrimination Certificate

Exhibit C – Living Wage and Benefit Contractor Certification

EXHIBIT A

CONTRACT SCOPE OF WORK

EXHIBIT B

NON-DISCRIMINATION CERTIFICATE

CITY OF AUSTIN CONTRACT SCOPE OF WORK

Coverage to be provided by the Rolling Owner Controlled Insurance Program (hereinafter "ROCIP", "ROCIP VI", or the "Program") includes general liability (hereinafter "GL"), workers' compensation and employers' liability (hereinafter "WC"), and excess liability. Coverage must be broad and the City of Austin's (hereinafter "City") ability to participate in the selection of coverages, limits, deductibles and conditions is mandatory. The City reserves the right to consider incurred loss and paid loss program options.

- The City does not have nor does it plan on implementing any drug testing program for contractors.
- The City does not nor does it plan on requiring contractors to implement a return to work program.
- Due to the potential number and types of projects the City will not include builders risk insurance in this contract.

Marsh USA, Inc. (hereinafter "Administrator") is expected to commence services immediately upon award of the contract. Failure to meet the proposed service schedule may result in penalties to Administrator.

Administrator will use its best efforts to place the program on behalf of the City as directed by the City and secure the City's approval prior to requesting insurers to bind coverage. However, the Contractor will not guarantee or make any representations or warranty that insurance can be placed on terms acceptable to the City.

Administrator will use its best effort to place the coverage net of commissions. If Contractor is unable to place the coverage net of commissions, prior to each placement by Contractor of its affiliates for the City, Contractor or the applicable affiliate shall disclose to the City commissions to be collected by the Contractor or its affiliates, except when such affiliates are acting as an underwriting manager on behalf of insurers. Contractor shall credit amounts equal to any retail commissions collected by Contractor or its affiliates against remaining installments of the annual fee (except as provided below) and, to the extent in excess of the remaining installments, refund previously paid installments of the annual fee. In the event such retail commissions for the Contract Year exceed the annual fee for that year, then such excess retail commissions shall be returned to the City if permitted by law. Otherwise, an amount equal to such excess retail commissions shall be carried forward and applied against Contractor's annual compensation for subsequent years if permitted by law.

Administrator will provide the City information and services related to insurance, regulatory and insurance tax issues relating to the City's insurance program. Any reports or advice provided by Administrator will be based on publicly available information and Administrator's experience as an insurance broker and risk consultant in dealing with such matter for other than the City's and will not be relied upon as accounting, regulatory or tax advice. In all instances, City will seek its own advice on accounting, regulatory and tax matters from professional legal and tax advisors.

Administrator will not be responsible for the solvency of any insurance carrier or its ability or willingness to pay claims, return premiums or other financial obligations. Insurers with whom risks have been placed with be deemed acceptable to the City.

The City shall be solely responsible for the accuracy and completeness of information and other documents furnished to Administrator and/or insurers by the City and shall sign any applications for insurance. The City recognizes and agrees that all insurance coverages procured as part of the ROCIP program and all services, evaluations and reports provided by Administrator hereunder are based on data and information furnished by the City. Administrator will be under

no obligation to investigate or verify the completeness or accuracy of any such data or information, nor will Administrator have any liability for errors, deficiencies or omissions in any services provided by the City, or any insurance coverages placed for the ROCIP project based on any such inaccurate or incomplete data or information. The City understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.

REQUIREMENTS FOR ADMINISTRATOR SERVICES

1. Design, Marketing and Implementation of Insurance Program

- a) Analyze project hazards and recommend appropriate level of risk retention and transfer and design an insurance program that protects the City from loss.
- b) Develop the underwriting submission/"scope of work section" for presentation and submit package to insurance carriers who can provide the coverage and program desired.
- c) Provide a thorough written analysis and evaluation of quotations from insurance carriers, including the electronic and sorting capabilities of their claims data system.
- d) Create a selection criteria matrix and coordinate the insurance carrier selection and interview process.
- e) Facilitate negotiations with selected insurance carrier.
- f) Bind coverage and maintain insurance policies and coverage without lapses.
- g) Review policies to verify conformance with specifications; request, implement and monitor all required coverage changes; participate in the negotiation of policy renewals, premium pay-ins, audit returns, reconciliations of all monies, and buy-out provisions.
- h) Develop a notification letter to contractors notifying them of any property damage claims that may result in up to \$5,000 being withheld from their City construction contract for the contractor's general liability property damage deductible as outlined in the construction contract.
- i) Review City construction contract documents and provide analysis and recommendations with regard to changes in authority, wording, and forms. This document can be viewed on line at <http://www.austintexas.gov/page/bid-docs>. (Standard Construction Documents. The insurance requirements are found in Section 00810).
- j) Ensure all endorsements and coverage forms are correctly indicated in the City contract documents and other applicable forms and manuals where appropriate.
- k) Coordinate adjustments and negotiations for close out of ROCIP VI program.

2. Policyholder Services Provided By the Administrator

- a) Be available during regular business hours to answer phone calls and field questions; coordinate ongoing insurer services between all parties, including but not limited to:
 - Providing assistance to contractor inquiries regarding elimination of insurance costs from bids,

CITY OF AUSTIN CONTRACT SCOPE OF WORK

- Providing enrollment support to contractors who need assistance at time of award, and
 - Handling of all claims
- b) Aid in the coordination of all data gathering functions and processes between all parties by attending meetings as required and documenting final decisions.
 - c) Communicate with and secure all data required for tracking purposes by following processes and procedures agreed to by all parties.
 - d) Develop detailed Procedures Manuals for the Project Managers and the Contractors with written procedures and flowcharts for all functions and activities.
 - e) Issue insurance binders, certificates, and policies to all contractors.
 - f) Secure and maintain evidence of auto liability and other insurance required by the contract from all non-enrolled and enrolled contractors working on ROCIP projects. This evidence of coverage once collected shall be forwarded to City Contract Management.
 - g) Secure and track WC and GL insurance coverage information for all enrolled contractors. Contractors are not required by the City to carry off-site insurance coverage.
 - h) Give ROCIP presentation at all pre-bid and pre-construction meetings.
 - i) Organize program status meetings every month during initial and peak program phases, and as required during program phase-out and provide meeting minutes to City within two (2) weeks.
 - j) Provide a monthly status report, which includes detailed information concerning Contractor, Administration and Claims.
 - k) Set up, coordinate and manage Insurer audit procedures and time lines, and collect and report payroll data from all enrolled contractors on a monthly basis.
 - l) Verify the accuracy of any bills, audits, and other premium adjustments.
 - m) Provide presentations and written information to Associated General Contractors and other professional organizations, Project Managers, Inspectors and other professionals to disseminate general information about the program.
 - n) Notify all enrolled contractors and project managers when ROCIP coverage no longer exists.
 - o) Coordinate a quarterly working lunch or other workshop for enrolled contractors in order to provide additional information related to the construction industry and ROCIP VI claims activity. Attendance is estimated to consist of fifteen (15) enrolled contractors but may exceed this number. Expenses will be borne by the Administrator.

3. Claims Management

The City requires the Administrator to pro-actively manage the losses experienced under ROCIP VI. This includes close oversight of reserve handling procedures of the carrier and frequent communication with the adjusters during the claims handling process.

- a) Coordinate claims handling activities and processes between the insurance carrier, City personnel, and the Administrator. Unbundling is not proposed; there are serious claims management concerns due to the number of different projects and poor claims reporting habits of the contractors. Administrator shall be required to assist in the management of claims reporting.
- b) Facilitate education and training of the contractors regarding claims reporting procedures, including coordinating quarterly working lunch sessions, or another method as agreed in writing by the City and Administrator. All education and training expenses to be borne by Administrator.
- c) Provide on site claims services, when necessary, by interviewing witnesses and facilitating coordination of information required by the insurance carrier.
- d) Monitor claims activity and provide this information in the form of a status report for the monthly meetings.
- e) Provide recommendations for medical cost containment and other methods for reducing claims costs; perform analysis of reserves and negotiate claims issues with the carrier. Coordinate quarterly claim review meetings between City and insurance carrier.
- f) Assist City with all necessary support for the management of the contractor's general liability insurance property damage deductible.
- g) Provide additional safety site inspection services, if requested, during peak enrollment periods of the program.

Administrator will not provide services to include management of catastrophic claims or forensic accounting claims services.

4. Risk Management Information System (RMIS)

The Administrator will provide MWRAP, a risk management software that tracks all Owner Controlled Insurance Programs (hereinafter "OCIP") data provided to the Administrator. MWRAP will be capable of completing the reports as indicated in **Exhibits A and B**.

5. Reports & Records

The City is tracking the performance of the ROCIP as a city program. Administrator is required to capture and provide essential data used to evaluate the success of the program. The Monthly Report, Net Cost Savings Calculation and Open Market Premium spreadsheets, as indicated below, contain information that is used as formal documentation for the results measure reported to the City's Budget Office.

- a) Monthly report to be provided at the monthly service meeting. This report shall include:

CITY OF AUSTIN CONTRACT SCOPE OF WORK

- ❖ Number of projects enrolled in the program, percentage complete for each project, number of completed projects, number of active projects.
 - ❖ Number of contractors enrolled in the program; number of enrolled contractors with no off site insurance, percentage of contractors identified as minority contractors by ethnic group (African American, Asian American, Hispanic, Native American, Women owned).
 - ❖ Claims summary to include all claims. This spreadsheet highlights all new claims, provides a breakdown between GL and WC claims, identifies project, GC, contractor and claimant, Date of Loss and description of loss. Sorting capability is critical.
 - ❖ Premium recap providing projected values and payroll; completed project values, completed project payroll, losses for completed projects, losses to date for all projects
- b) The Net Cost Savings Calculation Spreadsheet (**Exhibit A**) is to be provided monthly. This spreadsheet contains data on completed projects only.
- c) The Open Market Premium Calculation Spreadsheet (**Exhibit B**) is to be provided monthly as backup for the Net Cost Savings Calculation. This spreadsheet contains the specific rate and payroll information for every contractor of every tier.
- d) Subcontractor Report, due the 10th of each month. This report is for the verification of the small & minority contractor participation for the Administrators contract, if applicable.
- e) Weekly enrollment report is to be provided to all project managers, Construction Safety Manager and others. This report is to help ensure all contractors providing construction services on site are enrolled in the ROCIP program.
- f) Prepare Annual Reports and a Final Report for the City's Risk Manager. Reports are to be Executive Reports and are due annually.
- g) Make all contractor files available to the City for audit purposes.

Administrator shall be responsible for storing and maintaining all paper records and documents associated with the ROCIP program for a period of five (5) years after the completion of the last construction project. The Administrator shall also back-up all data contained on any proprietary database and make these records available to the City upon contract completion.

Additional reports may be requested as deemed necessary by the City. All program information will be available upon request.

Legislation mandates municipalities comply with the Records Retention Act. The Administrator will assist the City by maintaining records as outlined above.

6. Special Provisions

Contractor will commit the named principal and other key personnel responsible for the project will not be removed by the Administrator from the account without prior approval of

the City. Replacement of key personnel is subject to approval by the City's Risk Manager; provided such persons do not resign employment from Contractor.

Administrator's work performed in the marketing of the insurance shall be conducted without charge to the City. If the City determines that the insurance quotations or provisions received through the marketing process are not viable, the City retains the option to decline proposed coverage.

Contractor will provide appropriate broker services until the insurance program provided by the insurance carrier to the City is considered closed and final by the insurance carrier, the City, and the Administrator.

Administrator will perform as an agent of the City including issues related to confidentiality. However, Administrator will not speak for any insurer, is not bound to utilize any particular insurer and does not have authority to make binding commitments on behalf of any insurer.

Administrator will provide a statement of its compliance with all applicable rules and regulations of Federal, State and Local governing entities upon request of the City.

Exhibit A

[illegible]

City of Austin
RFP JSD0130
Open Market Premium Calculation

Exhibit B

Risk #	Project Name	Contractor Name	GC/ Sub	WC Code	Exp Mod	WC Prem	GL/ Premises Rate	GL/ Premises Prem	Prod/ Comp Ops Load	Total GL Prem	Profit & Mark Up	Open Market Premium

Notes:

WC Premium = WC rate x actual reported payroll x experience modifier

GL Premium for Premises Operations = GL rate x actual reported payroll

GL Premium for Products & Completed Operations = % x GL premises ops premium

Profit & Mark up = % of the WC & GL premiums

The rates and experience modifiers are provided by the contractor on the Contractor Enrollment Form

EXHIBIT B

NON-DISCRIMINATION CERTIFICATE

City of Austin, Texas
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION

SOLICITATION NO JSD0130

City of Austin, Texas
Human Rights Commission

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B) (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination in Employment Policy:**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, **OR THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.**

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Term:

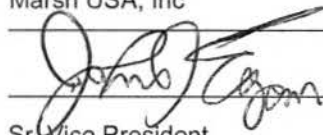
The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 27th day of November, 2012.

CONTRACTOR

Marsh USA, Inc

Authorized Signature



Title

Sr. Vice President

EXHIBIT C

LIVING WAGE AND BENEFIT CONTRACTOR CERTIFICATION

CITY OF AUSTIN, TEXAS
LIVING WAGES AND BENEFITS CONTRACTOR CERTIFICATION
(Please duplicate as needed)

SOLICITATION NO. JSD0130

Pursuant to the Living Wages and Benefits provision (reference Section 0400, Supplemental Purchase Provisions) the Contractor is required to pay to all employees directly assigned to this City contract a minimum Living Wage equal to or greater than \$11.00 per hour.

I hereby certify under penalty of perjury that all of the below listed employees of the Contractor who are directly assigned to this contract:

- (1) are compensated at wage rates equal to or greater than \$11.00 per hour; and
- (2) are offered a health care plan with optional family coverage.

(To add additional employees to this page, click the Add Button.)

	Employee Name	Employee Job Title
Add		
Delete		

- (3) all future employees assigned to this Contract will be paid a minimum Living Wage equal to or greater than \$11.00 per hour and offered a health care plan with optional family coverage.
- (4) Our firm will not retaliate against any employee claiming non-compliance with the Living Wage provision.

A Contractor who violates this Living Wage provision shall pay each employee affected the amount of the deficiency for each day the violation continues. Willful or repeated violations of the provision may result in termination of this Contract for Cause and subject the firm to possible suspension or debarment.

Contractor's Name:	Marsh USA, Inc		
Signature of Officer or Authorized Representative:		Date:	Nov 27, 2012
Printed Name:	John J. Egan		
Title:	Sr. Vice President		



December 6, 2012

RESPONSE TO RFP

CITY OF AUSTIN



RISK INSURANCE SERVICES

SOLICITATION NUMBER JSD0130

LEADERSHIP, KNOWLEDGE, SOLUTIONS...WORLDWIDE.



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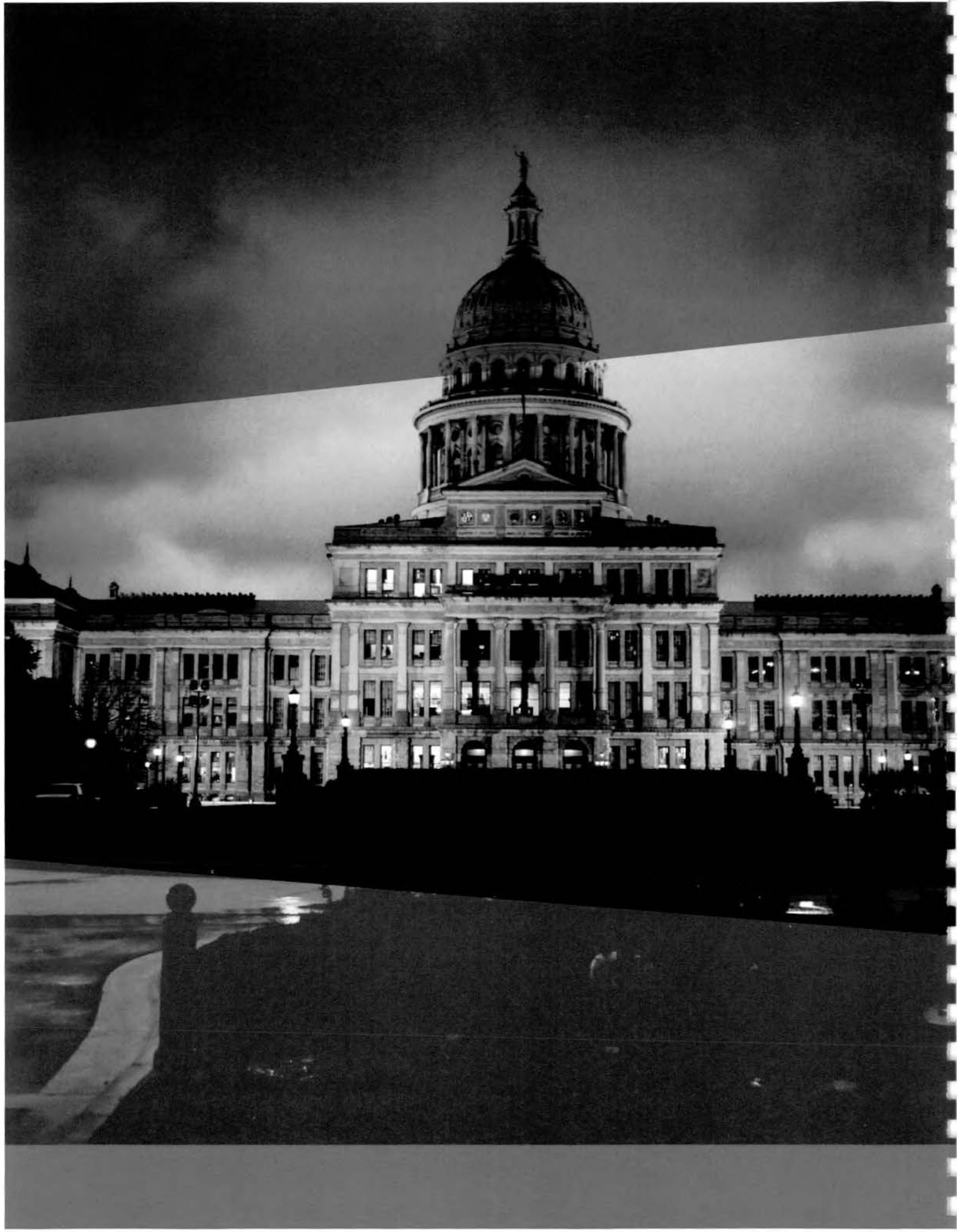
3rd floor

Austin TX

78759-5795

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SECTION ONE

EXECUTIVE SUMMARY

We are excited about the opportunity to work with the City of Austin once again (the "City"). In our response we describe our qualifications to help you effectively deploy the resources and capital to manage your construction project risk.

Team Experience

Our service team has worked on some of the largest and most successful public entity ROCIPs in Texas. These include The University of Texas System, Dallas ISD, Northeast ISD, and the Houston Metropolitan Transportation Authority. We were also the broker on the Austin-Bergstrom International Airport OCIP. Your team members, John Egan – Client Executive and Michelle Drew - Administrator, were on that service team. Stan Bratton, your service team Client Manager, served a similar role on the City of Austin's Phase V ROCIP while working for another broker. As you can see, our team has unsurpassed experience with Texas public entity ROCIPs and specifically with the City.

Local Service

Service team members are based in Austin, San Antonio and Dallas. The Texas Service Center based in Dallas will coordinate service activities. However our experienced colleagues in San Antonio and Austin will be actively involved in conducting contractor meetings and issuing certificates of insurance.

Safety and Claims Management

We are the only broker with a dedicated Construction Claims Practice. The practice consists of 17 employees. Linda Meik, based in Dallas, is a member of that practice and will be your claims consultant. She has achieved outstanding results on other public entity ROCIPs in Texas.

Safety services will be provided by Engineering Safety Consultants (ESC). They are based in San Antonio with a local service office in Austin. Their construction safety professionals are bilingual and have extensive ROCIP experience.

National Resources

We are the world's leading insurance broker with unsurpassed depth of intellectual capital in our national Construction and Public Entity practices. These resources ensure that the best processes, market knowledge and technology are available to you, as well as to the local service team.

We sincerely want to be your business partner and look forward to working with you.



SECTION TWO

QUESTION RESPONSES

ORGANIZATIONAL BACKGROUND AND OVERVIEW

- a. Indicate the name, physical address, telephone number, email address, and fax of the person in your firm authorized to negotiate contract terms and render binding decisions in contract matters.

For contract terms and negotiations with the City of Austin (the "City"), John J. Egan, Senior Vice President, is authorized to render binding decisions in contract matters.

John Egan

Senior Vice President
4400 Comerica Bank Tower
1717 Main St., Dallas TX 75201
214-303-8125 Office
214-303-8649 Fax
John.J.Egan@marsh.com

- b. State full name and address of your organization and identify parent company if you are a subsidiary. Include your main businesses, number of offices and locations. Specify the branch office or other subordinate element which will perform, or assist in performing, work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

Marsh USA, Inc. is a USA C Corporation doing business as Marsh & McLennan Companies in Texas with offices in Dallas, Houston, San Antonio and Austin. The Dallas office will provide administrative services for the City of Austin with the Austin office providing support as the regional insurance certificate center.

Below are the addresses for the Marsh US Corporate office, Houston regional office and the Dallas, San Antonio and Austin branch offices.

New York, NY	Houston, TX	Dallas, TX	Austin, TX	San Antonio, TX
1166 Avenue of the Americas New York, NY 10036-2708	1000 Main Street Houston, TX 77002	4400 Comerica Bank Tower 1717 Main St., Dallas TX 75201	10900 Stonelake Blvd., Suite 200 Austin, TX 78759	9830 Colonnade Blvd. Suite 400, San Antonio, TX 78230

About Marsh

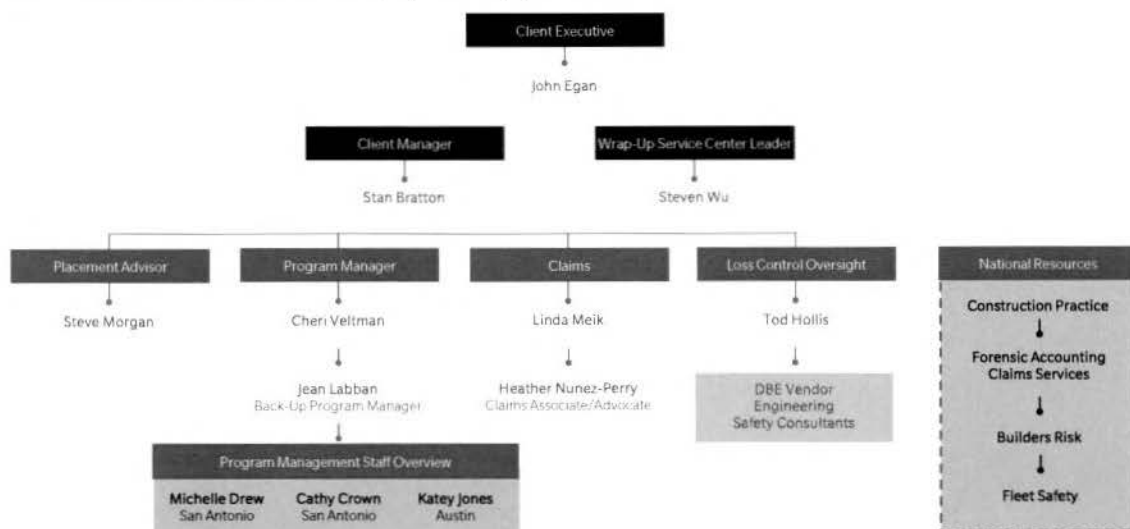
Marsh is the world's largest retail insurance broker, employing approximately 25,000 colleagues who provide consulting and brokerage services to clients in over 100 countries and more than 400 offices. We deliver industry-focused knowledge, advice, and program design through local teams backed by a network of global placement, advisory, and consulting experts. The diagram at right displays the structure of Marsh & McLennan Companies. Marsh USA Inc. is licensed to do business in each of the 50 states in accordance with all applicable laws and regulations.



Marsh Servicing Office

The majority of our service team members are based in our **South Central Partnership**, primarily by our offices in Dallas, San Antonio, and Austin. Our construction experience comes from our Texas contractor and construction project experience, as well as previous working history. We seek to deliver "project solutions" using our Marsh 3D process – Define, Design and Deliver. The Project Risk Practice includes dozens of experts around the United States in construction safety, claims, marketing, project management, administration and consulting. **John Egan**, in our Marsh Dallas office, will lead and coordinate the overall project service team. He will have ultimate accountability for service excellence. John reports directly to **Stephen Skeeter**, region head of Marsh's Texas operations and based in Houston. **Stan Bratton** in Dallas will have responsibility for coordinating and communicating activities to our service team and in concert with the City. Pre-bid and pre-construction meetings will be conducted by our colleagues in the San Antonio and Austin offices. They have recently worked on the Northeast ISD ROICP.

Engineering Safety Consultants (ESC) will serve as a subcontractor and provide safety services. ESC is headquartered in San Antonio and has an office in Austin. ESC is a certified minority vendor with extensive construction safety experience. We provide a team organization chart below, details regarding the individual qualifications of our proposed team in the next section, and brief biographies in Appendix A.



- c. Provide a copy of your firm's most recent financial statement. If this is unavailable, submit sufficient information indicating the financial status of your organization.

Marsh Annual Report

2011 was an outstanding year for Marsh & McLennan Companies. We produced excellent financial results and shareholder return while strengthening our competitive position, our balance sheet, and our leadership team.

Please refer to the following site for the Marsh annual report - <http://irnews.mmc.com/phoenix.zhtml?c=113872&p=irol-reportsAnnual>

ADMINISTRATOR EXPERIENCE AND SERVICES

- a. Submit evidence of your firm's experience in providing ROCIP/OCIP administrative services for other entities with programs comparable to the City's. Preference will be given to firms with applicable similar experience. Complete Attachment E, Commercial Market and Reference Information, indicating insurance carriers that have provided OCIP and/or ROCIP coverages through your firm and account references that the City may contact. Highlight any OCIP's or ROCIP's involving governmental entities.

Over the past five years, Marsh has provided administrative services for 23 ROCIP programs including 237 projects with construction values of over \$13 billion. We have extensive experience working with both contractors and owners giving us a thorough understanding of contractor issues when participating in CIPs and enabling us to effectively support their participation and maximize the financial benefit to the owner.

Your Marsh service team is currently the broker/administrator for the University of Texas System Phase V ROCIP. They have also been the administrator for the Dallas ISD ROCIP. Both these projects are multi-location ROCIPs similar in size and scope to the City of Austin. Furthermore, Stan Bratton, your Marsh service team Client Manager, was the City of Austin Phase V ROCIP Client Manager while employed at a prior firm. Our other OCIP clients include Dallas County Hospital (Parkland) and Houston Metro Transportation Authority.

Marsh Construction Practice

For more than seventy-five years, Marsh's Construction Practice has delivered practical, innovative, capital-efficient solutions that generate yield and margin growth for our clients. We define, design, and deliver these solutions through collaboration with our clients on their strategies and goals for deploying capital on project and enterprise risk. Our objective is to reduce our clients' total cost of risk. Managing costs and processes, on the front-end, improves margins by decreasing direct and frictional costs, leading to growth in the value of a company's assets and positioning it to thrive.

ADVANTAGES WITH MARSH

- Commitment to the industry
- Contractor peer network
- Strong market relationships
- Extensive client base
- Active Industry involvement

In Texas, Marsh has 20 people primarily focused on construction, including eight people dedicated to OCIP management and administration. The OCIP team currently manages eight OCIPs.

Marsh's Construction practice provides risk management, consulting, and insurance services for firms who work in every segment of the construction industry spectrum (owners, design firms, engineers, vendors, and capital providers). The Marsh Team offers the City the advantage of a large broker, in a local, client-centered service and delivery model. Some of the benefits we deliver to the City include:

- **Consistent Focus on Clients Similar to the City**—With respect to our expertise with Public Entities, in the past five years we have supported 271 projects with Construction Value of approximately \$26 billion (including ROCIPs and OCIPs).
- **Construction Industry Experts**—Marsh's US Construction Practice includes 400 experts, including engineers, economists, finance specialists, statisticians, project managers, and specialists in insurance product lines, contracts, safety and loss control, and claims.
- **Construction Industry Leader**—Leading construction broker for project insurance design and placement, including OCIPs. Marsh currently provides risk management and insurance services to 440 projects in the United States, comprising \$109 billion of construction cost.

Marsh Public Entity Practice

Our Public Entity Practice has over 500 professionals within their global network. Representing every governmental and insurance risk management discipline, these specialists are experienced practitioners in public entity risk management, insurance brokerage, self-insurance program development and administration and alternative risk financing programs. The practice was organized in 1988 to support Marsh's commitment to serving the needs of our public sector clients. Our global network provides us with risk management data relating to entities similar to yours, thus expanding the universe of solutions available to meet the demands for more effective insurance and risk management programs.

Many clients have been with us for 20 years or more - a testament to the exemplary service our team provides. In addition, the practice is constantly monitoring and evaluating governmental developments relating to insurance and risk management, and developing innovative solutions to related risks. We are active supporters of AGRIP, CAJPA, PARMA, PRIMA and STRIMA.

- b. Provide an introduction and resumes of management and all other staff and subcontractors that will be directly responsible for working on the City's ROCIP program. Complete Attachment F, Personnel Qualification Questionnaire, for each position that will be working on the City's program.

Team Expertise

We provide a team overview matrix below regarding the individual qualifications of our proposed team; for additional details, brief biographies are included in Appendix A.

Team Member & Role	Responsibilities	Qualifications
John Egan Senior Vice President <i>Client Executive</i>	<ul style="list-style-type: none"> Overall delivery of Marsh services and the City of Austin team's complete satisfaction with our performance Provide strategic leadership to the client team based on the City of Austin team's goals, objectives, and service priorities Provide the City of Austin team with access to the broad array of Marsh and Marsh & McLennan Companies' services and solutions 	<ul style="list-style-type: none"> 25 years in the insurance industry 22 years at Marsh Works on University of Texas System and Dallas ISD ROCIPs
Stan Bratton Senior Vice President <i>Client Manager</i>	<ul style="list-style-type: none"> Brings extensive Construction experience including Owner and Contractor Controlled Insurance Programs (OCIPS & CCIPS) Assist with implementation strategy, attend stewardship meetings, available immediately on site when needed 	<ul style="list-style-type: none"> 30 years industry experience 20 years of construction expertise Experience with both carrier and broker teams working with public sector ROCIPs in Texas Served as Broker Client Executive on City of Austin Phase V
Steve Morgan Senior Vice President <i>Construction Wrap-Up Practice Leader and OCIP Broking Specialist</i>	<ul style="list-style-type: none"> Evaluate loss exposure and design an OCIP program to address identified exposures Provide program financial analysis and stewardship Review and approve all proposed carrier program adjustments Review and negotiate collateral amounts and reductions with carriers 	<ul style="list-style-type: none"> 17 years industry experience 15 years in construction Experience with brokerage teams on over 50 wrap-ups with combined construction value of over \$20 billion
Michelle Drew Cathy Crown Katey Jones <i>Program Team</i>	<ul style="list-style-type: none"> Will attend pre-bid and pre-construction meetings 	<ul style="list-style-type: none"> Individual and combined experience with construction industry projects such as ROCIPs

Team Member & Role	Responsibilities	Qualifications
Steve Wu Sr. Vice President <i>Construction Wrap-up Service Center Leader</i>	<ul style="list-style-type: none"> • Provide industry leadership, support and benchmarking to the service team • Brings extensive contact base and visibility in industry relevant insurance markets • Responsible for assisting with program strategy and keeping team apprised of industry risk issues and solutions • Technical review and participation in program design and implementation when appropriate 	<ul style="list-style-type: none"> • 25 years in the insurance industry • 20 years of construction experience • 5 years at Marsh
Cheri Veltman Vice President <i>Program Manager</i>	<ul style="list-style-type: none"> • Facilitates and leads quality and timely service delivery, profitability management, and revenue growth • Responsible for relationship management, professional and staff development, and Marsh and City of Austin team meetings • Responsible for client service and placement, client development, and product development 	<ul style="list-style-type: none"> • 14 years in the industry • 14 years with Marsh dedicated to CIP programs • Works on University of Texas System and Dallas ISD ROCIPs
Jean Labban <i>Program Administrator</i>	<ul style="list-style-type: none"> • CIP administrative activities including enrollment, payroll collection, data entry and report generation. 	<ul style="list-style-type: none"> • 10 years CIP experience
Linda Meik Vice President <i>Claim Manager</i>	<ul style="list-style-type: none"> • Provides advocacy for the clients in handling their claims with the carriers • Assist with the filing of property and casualty claims on behalf of Client • Ensure that all claims are reported to the appropriate carriers to trigger coverage for the event. 	<ul style="list-style-type: none"> • 21 years in the insurance industry • 11 years at Marsh • Workers' Compensation Adjuster License, Property & Casualty License
Heather Nunez-Perry <i>Claim Associate/Advocate</i>	<ul style="list-style-type: none"> • Supports the Claims Manager with additional day-to-day resources 	<ul style="list-style-type: none"> • 5 years in the insurance industry • 5 years with Marsh
Tod Hollis Vice President <i>Loss Control Oversight with Engineering Safety Consultants</i>	<ul style="list-style-type: none"> • Oversees Engineering Safety Consultants work as Third-Party Vendor to: <ul style="list-style-type: none"> — Assist in developing proactive controls to address safety — Review claims information to identify and react to trends — Provide coordination of carrier loss control service 	<ul style="list-style-type: none"> • 27 years in the industry • 7 years with Marsh
Ken Paninski <i>Engineering Safety Consultant</i>	<ul style="list-style-type: none"> • Provides construction safety services 	<ul style="list-style-type: none"> • 15 years construction safety • Bilingual

- c. Discuss the relevant current market conditions for ROCIP's. Explain how workers' compensation rates may affect this market and provide specific knowledge of prior, current, and future anticipated workers' compensation rates and market conditions in Texas for Owner Controlled Programs.

The insurance market has generally tightened in 2012 with flat rates in the first quarter giving way to 5-10% rate increases during the second and third quarters. While specific rates will vary by account based on their individual loss experience, we expect to see approximately 5% rate increases in WC and GL and approximately 10% in Excess each year over the next 2-3 years. As respects WC rates specifically in Texas, given the inflationary increases in the cost of medical treatment, we can expect to see continued pressure on insurance rates. The rates for individual contractors will increase ahead of those for ROCIP's creating a continued cost advantage for ROCIP's.

- d. Discuss creative techniques, processes or solutions that could be employed to ensure that contractors of all tiers are enrolled in the ROCIP and that the payroll for all tiers of contractors has been collected.

We believe that the most efficient and effective means of ensuring orderly compliance with OCIP enrollment and reporting requirements is to integrate it into the process of construction contract administration. With the cooperation of the contractor, the requirement of OCIP enrollment forms as part of a compliant bid submittal, and payroll reports as part of a compliant request for progress payments, will ensure that OCIP administrative requirements are current and compliant.

The Marsh team will establish a list of the ensuing projects from the City of Austin's Procurement and Risk Management Departments. Marsh's project manager and administrator will identify the prime contractor for each of the upcoming projects and obtain the initial bid schedule to anticipate the enrollment timing by trade. At the time the subcontractor bids are awarded, the Contractor will require the subcontractor to complete the enrollment documents found in the OCIP manual. The contractor will forward this information to Marsh, which includes the forms necessary to enroll the contractor in the program, establish their initial contract payroll, insurance costs, off-site certificate of insurance and whether they will be utilizing a sub-subcontractor. The program administrator will review the submission for missing information and accuracy. Should any information be missing or a sub-subcontractor be identified, the program administrator will contact the subcontractor directly to obtain the missing information and identify the sub-subcontractor.

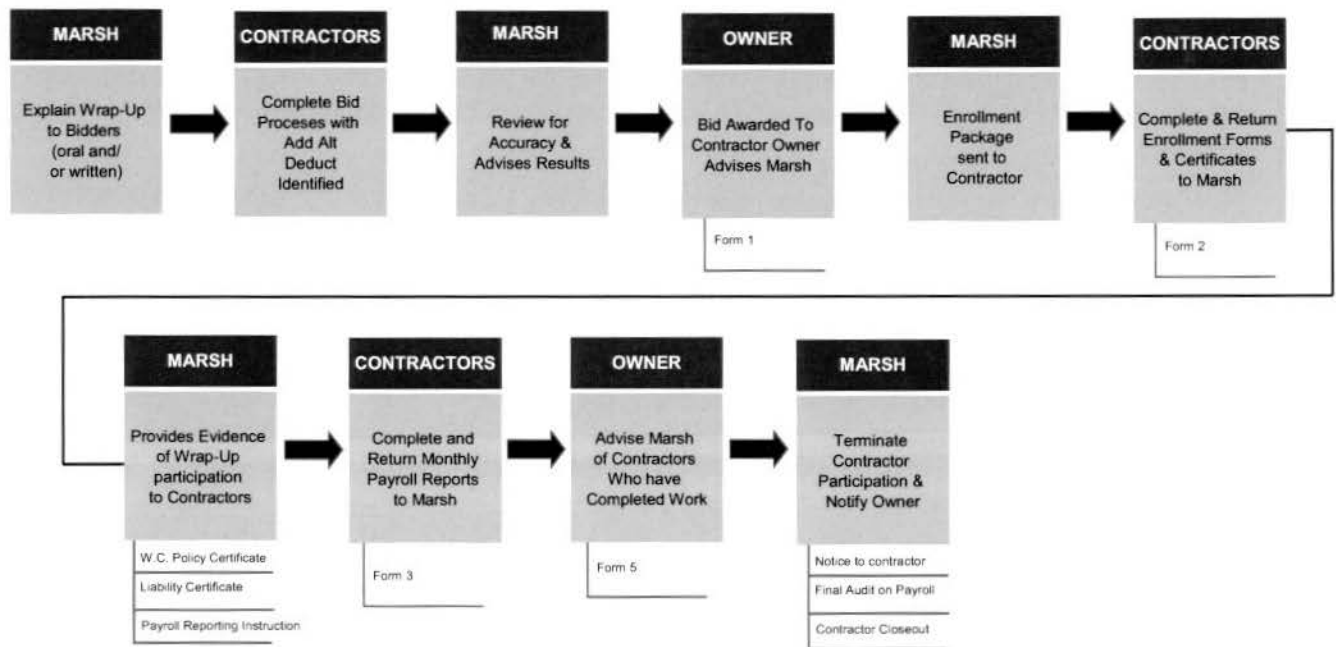
In addition, the Marsh administrator will provide a list of enrolled subcontractors, in tier order, that will be shared with the contractor and the Construction Safety Management team. This list will be cross checked with both parties to identify any non-enrolled subcontractors. If a subcontractor has been identified, then the Marsh administrator will contact that subcontractor directly and proceed with the enrollment process.

Once the contractor is enrolled, the Marsh administrator will ensure that monthly payroll reports are being submitted on time by all contractors. Our construction wrap up software package named MWrap will track, consolidate, organize and report raw data to generate analytical and financial reports. Enrollment information and monthly payroll reports are entered into the program. We then create and analyze a wide array of reports to assess trends and/or anomalies that need to be rectified. For example, the Missing Contractor's Payroll Report allows quick identification of missing monthly payrolls by contractor, by month in order for our administrator to follow-up with the contractor.

This process of integrating the OCIP requirements into the bid documents and contract coupled with cross checking and technology is the most effective way of ensuring all subcontractors of every tier are enrolled and report payroll on a timely basis.

Contractor Enrollment Process

Timely, accurate service in administering the enrollment process is critical to all contractors and others involved in the CIP. The effectiveness and efficiency of this process centers around streamlining the administrative forms to gather adequate data while reducing contractor touch points in filling out a multitude of paperwork. A distinguishable aspect of the Marsh process centers on the use of a streamlined enrollment form that is completed by the contractor at the time of bid. Marsh utilizes a two-page form, a combined Insurance Cost Worksheet and Enrollment Form, that provides all necessary information to analyze the contractor's insurance cost and enroll the contractors into the CIP once selected to perform the work. Favorable experiences result in good will. As the volume of projects increases, the enrollment process becomes even more crucial, requiring experienced personnel and effective systems to keep the numerous complex tasks running smoothly. An illustration of high-level communications is best displayed in the following flow chart.



The enrollment process must:

- Be easily understandable by contractors
- Be available for immediate enrollment
- Provide clear, concise documentation to contractors, carriers, and the City of Austin.
- Provide copies of all policies of insurance pertaining to the CIP; and, issue and deliver Certificates of Insurance to Contractors
- Secure and maintain up-to-date evidence of all other required insurance not provided by the CIP, which each CIP covered contractor is required to provide and maintain
- Provide enrollment status and exception reports to each construction manager on a weekly basis and when requested
- Work with the construction manager or other City of Austin designated person to verify the accuracy of payrolls submitted

Payroll

Each Enrolled Contractor will be required to maintain payroll records for work performed under the City of Austin CIP. Such records will allocate the payroll by Workers Compensation classification(s) and exclude the excess or premium paid for overtime. Only the straight time rate will apply to overtime hours worked. Any payroll incurred for Executive Officers and Partners/Sole Proprietors will be limited to that amount as stated in the state manual rules.

Each Enrolled Contractor must submit to the Marsh Administrator Workers Compensation Monthly Payroll Report Summary (located in the Contractor's Insurance Manual) each month for the prior month payrolls. These reports will also require contractors to provide updates on contract values complete to date. The Marsh Administrator will advise the Construction Manager of any Enrolled Contractors who are more than 30 days delinquent in payroll reporting and recommend that funds be withheld or delayed from monthly progress payments to the delinquent parties.

The Marsh Administrator will send the payroll reports to the primary OCIP insurer, who will report the payrolls to the rating bureau for promulgation of future Experience Modifiers for the Enrolled Contractor.

Marsh will work on an ongoing basis with the insurer on audit. Marsh will collect payroll reports monthly from contractors and provide monthly reports to the insurer on a quarterly basis. This process will be finalized annually and Marsh will work with the insurer to address any missing payroll or discrepancies for any given contractor. Payrolls will be tracked by contractor, by contract so that payroll can be attributed to specific projects for closeout. At program completion all annual audits will be aggregated in order to evaluate final payroll against estimated payroll and provide a basis for final premium calculation.

Contractor and Project Close Out Procedures

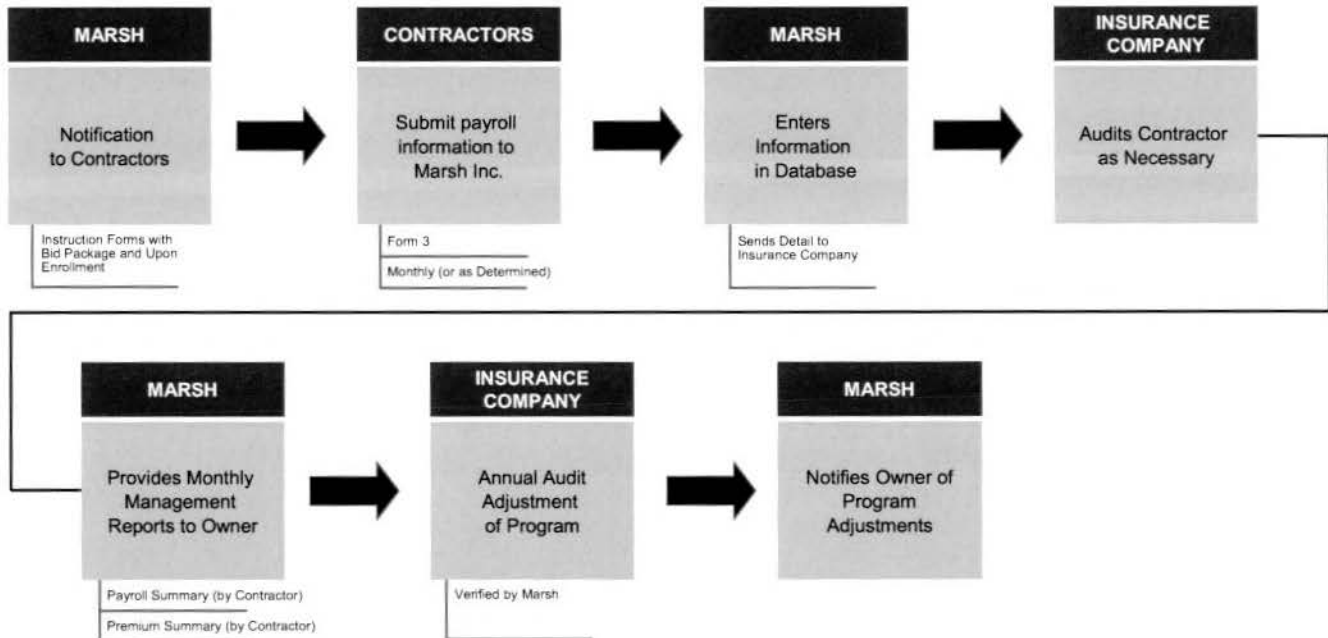
The Construction Manager will advise the Marsh Administrator of any Enrolled Contractors who have completed their work under the OCIP. The Marsh Administrator will send the Enrolled Contractor a Notice of Completion which, when returned, will initiate the final contract value, final payroll and man-hours for each OCIP insured.

As each contractor completes its work and prior to releasing final payment, contractor files will be reviewed to ensure compliance with payroll submission and receipt of off-site certificates. With the method of bidding selected by the City of Austin, Add Alt, the close-out process is tailored to address the close-outs, which are expedited to ensure document compliance for the contractor and any sub-tiers.

Because this process has been conducted and communicated constantly throughout the project, there should be no confusion or missed opportunities with regard to achieving the correct bid deduction from each participating contractor.

Cost Tracking and Allocation Between Projects

As stated above, cost tracking and allocation between projects will be a key function of Marsh's program management team. Projects will be tracked separately in MWrap, Marsh's Wrap-up RMIS, including separate tracking of payroll, insurance credits and costs. Fixed expenses will be tracked by project with losses tracked by project as well, so that each project will have a separate financial report which will track insurance credits against program expenses (fixed costs of premiums, and fees) and losses. Marsh will also provide overall summaries of all projects combined so the City of Austin has a "snapshot" of the program results at any given time.



- e. Describe your philosophy and approach to the claims management services provided by your firm for the ROCIP. Include in your response your method for ensuring that each claim is recorded to the ROCIP program and that each claim is recorded under the appropriate contractor and the appropriate project.

Marsh Claim Management Services

Marsh will perform the following claims management services:

- Work with the City in evaluating designated medical facilities for the various projects, and assist with the start-up and oversight of the facility.
- Establish front-line accident response and investigation protocols, in conjunction with the carrier, the City, and the Project Safety Coordinator/Manager.
- Develop and distribute a Claims Handling Manual for each project, including instructions to subcontractors. We recommend a direct reporting process through the carrier's claim reporting system including internet, 24-hour telephone service, and fax.
- Coordinate claim reporting, including coverage verification and contractor assistance.
- Negotiate claims resolution, including cost containment, loss mitigation, medical case management, litigation support and selection of claim counsel.
- Participate in claim reviews and work with insurer to confirm adherence to agreed claim-handling policies/procedures and industry standards.

In addition to coverage and pricing, Marsh will help the City select an insurer with expertise in adjusting construction-related claims, and provide the level of service required. The insurance carrier will be expected to:

- Adjust claims, using claim-handling policies and procedures established in conjunction with the City and Marsh.
- Work with Marsh in identifying a primary care medical facility, convenient to job site.
- Provide internet access to on line claims system.
- Provide workers compensation monthly and ad-hoc reports as necessary for the project
- Offer 24-hour servicing for off-hours reporting and response.
- Conduct at least semi-annual stewardship / strategy meetings to review open claims and summaries of claim audits.
- Provide loss runs to individual contractors when requested.

It is important to note, contractors have the right to review their claim experience and contribute in the management of difficult claims.

The Marsh Claim Practice Team

We believe in establishing a single point person for The City of Austin, who will have overall responsibility for any and all claim activity. We propose that Linda Meik assume that role. Linda specializes in construction claims and she also has an extensive background in managed care. Linda has been able to facilitate injury care processes and managed care programs that impact the claims which occur on construction projects.

Her construction experience, while being at Marsh for these last eleven years includes The University of Texas System, Dallas Cowboy's Stadium, Dallas ISD, "W" Hotel – Austin, Parkland Hospital & Health System and DFW Airport. Of these projects safety and claims management results have been superior. These projects have closed out with minimal outstanding open claims thanks to aggressive oversight by Linda.

Linda is responsible for ensuring that each claim is reported properly to the carrier, associated with the correct contractor, and that the claim is allocated to the appropriate project. This is accomplished through detailed claim coding, constant communication with all parties, and weekly claim reports.

While adhering to a zero-accident culture on the job site, claim activity on the worksite is inevitable. Effective claims management is critical to the stability and effective cost control of one's program.

Within the Claims Practice, Marsh has identified Claim Advisors whose claims experience is in the construction industry. Linda is part of this National Construction Claims Practice (NCCP). Linda has the ability to engage the seventeen Marsh National Construction Claims Specialists to assist on complex claim issues. These specialists have vast experience in construction related claims issues, spanning all lines of coverage. Marsh is the only national broker with a dedicated team of construction claims specialists.

In addition, Brian McGrath will be a valuable resource for large, complex liability claims that can arise during and after large construction projects. Brian's experience with complex litigation, completed operations/construction defect will enable the City of Austin to be armed with unmatched credibility when dealing with a scenario which may call the project's integrity into question. Brian is the head of the National Construction claims practice for Marsh and will be available as needed.

Our Approach to Claims

Our client engagements start with an understanding of the City of Austin's operations, claim history, needs and expectations. We work with you to develop a claim service plan that is consistent with industry best practices to successfully manage your loss costs. Marsh Claim Practice provides the following core services:

- Coverage advocacy and collections
- Reporting of excess/umbrella and other complex claims
- Guidance and assistance to clients to help them direct report their own routine primary casualty claims to insurers (AL/GL, Auto, WC)
- Claim reviews
- Catastrophic claim response
- Collateral reduction/stabilization is a key focus.

Our Approach to Claim Reviews

Formal claim reviews are a critical component of any claim management program. We will work with you to design a claim review plan. The frequency of claim reviews typically depends on claim volume, severity, and carrier / TPA performance. Our Advisors are also keenly aware of risk financing programs and how the cost of a claim can impact a client. We will schedule our reviews with knowledge of the timing of experience modification calculations, program adjustments, collateral reviews, and program renewals, in order to minimize overall program costs.

Our claim review process includes:

- Obtaining loss runs from carrier and identify claims to be reviewed
- Requesting status reports from carrier / TPA
- Reviewing claim files for evaluation of compensability/liability, damages, reserve accuracy and adequacy, litigation management, and settlement/defense strategy
- Discussing resolution strategies with carrier / TPA with agreed upon action plans. Negotiate reserve adjustments where appropriate.
- Communicating findings to client in summary reports
- Following up on action plan items

Benefits of claim reviews to The City of Austin include:

- Maximizes overall claim management
- Improves reserve accuracy and adequacy
- Directive litigation management
- Refines resolution strategies
- Provides confidence in outstanding claim liabilities
- Minimizes program costs

- f. If your firm is selected to provide the services described in this RFP, you will be expected to negotiate specific performance measures with the City. Based upon achievement of performance, you will be paid the retainage that has been withheld from your invoices. Describe the types of performance measures that are representative of successful results for work performed and for which your firm is willing to negotiate and ultimately be held accountable.

A performance scorecard will be developed in conjunction with City of Austin to measure the areas of most importance to you. For OCIP programs, the performance metrics generally included are the placement of insurance and key standards in the administration of the OCIP. One possible approach is to use the Scope of Work from the RFP and develop a comprehensive list of performance criteria. Major categories are indicated below and a comprehensive list attached in Appendix B.

1. Design, Marketing and Implementation of Insurance Program
2. Policy Services Provided By the Administrator
3. Claims Management
4. Risk Management Information Systems (RMIS)
5. Reports and Records
6. Special Provisions

Each category will be assigned a numerical score of 1-5 or Yes/No if preferred. Performance against these criteria as deemed critical to the City should be reviewed through out the program to assure continuous compliance and 100% client satisfaction. A formal self assessment will be completed each year and submitted with the administrator's request for payment of retainage.

ROCIP/OCIP CONCEPTUAL STRATEGY FOR PREMIUM AND COVERAGE PROVISIONS

1. Provide the City with the most accurate quote using the following parameters and without approaching the marketplace:

Construction Values at: \$450m

(see Attachment B – projects anticipated to participate in ROCIP VI)

Payroll Values at: \$69,750,000

(see Attachment H – anticipated payrolls by class code)

(see Attachment G – ROCIP V current payroll by class code provided to assist with rates)

Deductible at: \$250,000 Clash Deductible

Policy Limits:

WC/EL -- \$1m/\$1m/\$1m

Primary GL -- \$2m each occ/\$4m general & co/ops limit

H&NO Auto -- \$1m CSL

Excess Liability – at both \$23m and \$48m

Assumptions:

Construction Values	\$450,000,000	
Payroll	\$69,750,000	
Per Occurrence Deductible	\$250,000	
Clash Deductible	\$375,000	
Policy Limits	WC / EL	Statutory / \$1M/\$1M/\$1M
	GL	\$2M Occurrence / \$4M General Aggregate and Comp Ops
	Auto	\$1M
	Excess	\$23M and \$48M (Note: We will seek options at these amounts but the market may quote at \$25M and \$50M)

i. the Average Contractors Workers' Compensation Rate

Average Contractors Workers Compensation Rate – Based on the payroll by class code provided in Attachment H in the RFP and our expected credits to manual rates of three insurers, we expect an average Contractors Workers Compensation rate of approximately \$3.84 per \$100.

ii. the Contractors Experience Modifier

Contractors Experience Modifier – We are contemplating an average Experience Modifier of .85 with all enrolled contractors.

iii. the Contractor Mark-up %

Contractor Mark-up % - Contractors typically will include a mark-up for profit and overhead in a bid net/add alternate situation unless specifically prohibited by contract. We have included 15% in our calculations.

iv. the premium rates anticipated for WC, GL, EL and terrorism coverage

Anticipated Premium Rates for WC, GL, EL and terrorism –

- WC – \$1.25 per \$100 of payroll
- GL – \$1.10 per \$100 of payroll
- GL TRIA – Approximately 1% of deductible premium
- WC TRIA – Approximately \$0.05 per \$100 of payroll

v. the extension period your quote anticipates for products/completed operations

Completed Operations Extension Period – Currently, the statute of repose in Texas is 10 years from the time construction is completed for defective construction claims. Insurers are routinely offering Completed Operations extensions for the statute of repose period or 10-years, whichever is shorter.

vi. the Loss Conversion Factors anticipated

Loss Conversion Factor – We anticipate the market will offer a loss conversion factor (LCF) of 1.08. The LCF is in addition to the aggregate stop-loss.

vii. the projected Expected Loss Amount

Expected Loss Amount – Based on actual experience of ROCIP V and our background, we estimate an expected loss rate per \$100 of payroll in a range of \$2.00 to \$2.50. Using the estimated payroll total from Attachment H for ROCIP VI, the expected loss amount should be in a range of \$1.4M to \$1.75M

viii. the Minimum and Maximum Program Costs

Minimum and Maximum Program Costs – We are estimating the following minimum and maximum costs for the proposed ROCIP VI (not including TRIA).

- Minimum premium costs for the primary ROCIP represent a 50% to 75% anticipated range available from the insurers:
 - Workers Compensation - \$435,938 - \$653,906
 - General Liability - \$383,625 - \$575,438
- Minimum premium costs for the Umbrella / Excess are typically available on a pro-rata + short-rate penalty (approximately 10%) basis at the time the program is cancelled, in the event it is discontinued prior to the scheduled expiration date. Our estimated premium for a \$50M limit is:
 - Lead \$25M - \$550,000 term premium, flat rated
 - Excess \$25M - \$250,000 term premium, flat rated
- Maximum Program Costs – Based on the payroll estimates provided in Attachment H. Note, maximum costs are auditable upwards in the event actual payroll exceeds the estimated. Maximum costs below are based on the estimates provided:
 - Workers Compensation - \$871,875
 - General Liability - \$767,250
 - Aggregate stop-loss - \$3,138,750 (plus LCF of 1.08)
- • Additionally, the minimum and maximum program costs will include the proposed Marsh fee

3. Provide estimated savings projections for the program you are recommending. Include cost savings projections at many different levels of loss picks, and estimate the range of losses the City can expect.

City of Austin - ROCIP VI: Preliminary Financial Pro-Forma

City of Austin - ROCIP VI Preliminary Financial Pro-Forma

Assumptions:

Estimated Construction Hard Costs	\$	450,000,000
Estimated Project Payroll	\$	69,750,000
Estimated Construction Term		60 months
WC & GL per occurrence deductible	\$	250,000
Clash deductible	\$	375,000
See Notes below		

ROCIP Costs (Estimated Rates)	Rate per \$100 of Payroll		
Workers' Compensation - Statutory + \$1M E.L. Limits	\$ 1.25	1	\$ 871,875
General Liability - \$2M Occurrence / \$4M Aggregate Limit	\$ 1.10	2	\$ 767,250
Excess - \$50mm Limit	Flat	3	\$ 800,000
Marsh Administration / Management Fee (Not Included)		4	\$ -
Aggregate x	\$ 4.50		\$ 3,138,750
Loss Conversion Factor (LCF)		1.08 5	\$ 3,389,850
Maximum ROCIP Cost	(=1+2+3+4+5)		\$ 5,828,975
Minimum ROCIP Cost	(=1+2+3+4)		\$ 2,439,125
Expected Contractor Avoided Insurance Cost	\$ 9.68	6	\$ 6,751,800

- Based on WC filed rates in the state of Texas and expected GL rates

- Includes contractor mark-up for overhead and profit at 15%

Losses	Loss Rate	ROCIP	7	Savings / (Cost)	(= 6-7)
\$ 500,000	\$ 0.72	\$ 2,979,125		\$ 3,772,675	
\$ 1,000,000	\$ 1.43	\$ 3,519,125		\$ 3,232,675	
\$ 1,500,000	\$ 2.15	\$ 4,059,125		\$ 2,692,675	
\$ 2,000,000	\$ 2.87	\$ 4,599,125		\$ 2,152,675	
\$ 2,500,000	\$ 3.58	\$ 5,139,125		\$ 1,612,675	
\$ 3,000,000	\$ 4.30	\$ 5,679,125		\$ 1,072,675	
\$ 3,150,000	\$ 4.75	\$ 5,841,125		\$ 910,675	at Max ROCIP Cost

Notes:

- WC & GL premium amounts and the Aggregate amount are auditable based on actual payroll
- Minimum premiums apply (typically 50%-75% of estimated)
- Excess premium is typically flat and not auditable
- This exhibit is a summary of a detailed pro-forma model
- Refer to the Fee Proposal for the Marsh administration and risk engineering expense

4. Specify the minimum premium charges and other demobilization costs that the City would be responsible for if the program was to be canceled midterm. Provide a specific example of costs that would be incurred and how they would be calculated.

The program may be rated base on either worker's compensation payroll or construction value. Generally it is recommended that worker's compensation payroll be used as this is measurable based on standard audit criteria, familiar to contractors and less likely to be subject to dispute.

The minimum premium is estimated to 50%-75% of that projected at inception based on the \$69,750,000 and the minimum aggregate deductible is 100% of that calculated at inception.

5. Based upon your technical knowledge, how do most carriers apply the aggregate limits of insurance? Please include any timeframes and include how a 10 year extension period would be applied to projects.

We anticipate the availability of per project aggregate limits of insurance for both the primary GL and the Umbrella / Excess. Based upon need, we recommend analyzing the price difference between a per project limit and a single, shared limit for all projects. Aggregate limits will reinstate annually during the program term. The Completed Operations limit is typically a single, shared limit for the entire extension period.

Insurer	A.M. Best	Current Position
Ace	A+ XV Stable	Generally a conservative approach to pricing, high level of importance on financials, utilize local underwriters and regional service team. Proven claims capability with ESIS.
Arch	A+ XV Stable	Recently expressing a desire to pursue more opportunities, including CIP's. Strong underwriting capabilities, they will provide aggressive pricing for favorable risks. Provides claims oversight but use Gallagher Bassett to handle claims.
AIG	A XV Stable	Reduced interest in CIP's in the last 2-3 years but still a major player overall. Underwriting in Chicago and services regionally.
Hartford	A XV	Limited appetite. Have been aggressive in Texas on larger single site projects in the past few years. Underwriting in Boston and services regionally.
Liberty Mutual	A XV Stable	Solid insurer in all aspects with extensive experience and will expect an aggressive response. Underwriting consolidated in Boston provides a consistent process utilizing their specific results. Service provided regionally.
Old Republic	A XI Stable	Stringent underwriting requirements including emphasis on financial strength of insured. Centralized underwriting function with tendency towards a more conservative approach. Partner with Gallagher Bassett to handle claims.
Travelers	A+ XV Stable	Historically have been more aggressive on opportunities with their own insureds, but current capacity appears focused on CCIPs for their contractor clients. Strong local service team.

Insurer	A.M. Best	Current Position
XL	A XV Stable	Relatively new entry in CIP market-place. They are anxious to write qualified programs and could provide an aggressive option. Building service capability as they add more primary casualty business. Underwriting in Chicago.
Zurich	A+ XV Stable	Somewhat conservative underwriting with a focus on risk engineering and claims services. Generally flexible and aggressive on preferred opportunities. Regional underwriting and claims teams.
Wholesalers: RT Specialities AmWINS	Various	There are potential Excess and Surplus Lines options providing lower collateral and potentially broader coverage on the GL. It may be possible to pair with a WC large deductible provided by a standard market.

6. The City expects the General Liability property damage to owner's property exclusion to be amended so that coverage will be provided for City owned utility and other underground property damaged by a contractor. Does your firm anticipate problems associated with the negotiation of this provision? What markets do you believe will be favorable to amending the property exclusion wording?

The standard j, k and l exclusions combined with the individual named insured status for each enrolled contractor provide broad form property damage. While there may be some markets, particularly non-standard GL only markets, that are willing to delete the j, k and l exclusions, this is generally not necessary to provide the same coverage typically provided by a contractor outside of the ROCIP for damage to City owned property. No additional property damage exclusions will be added to the GL policy.

7. Specify the feasibility of and reasoning behind including or excluding each of the following under ROCIP VI: a) coverage for EIFS; b) warranty call back coverage; c) products coverage for off-site manufacturing or fabrication.
- A. While underwriters may want to verify what EIFS exposure exists for underwriting purposes, given the \$250,000 deductible proposed, we do not anticipate any EIFS exclusions. If you do not allow any EIFS on your projects and have measures in place to control, then the coverage may not be essential but this would also be an argument to the underwriter to provide the coverage. Contractors are more likely to have EIFS exclusions so if you do not provide and rely on the contractors practice coverage in the event of a loss, recovering is uncertain.
- B. The benefit to the City of warranty call back coverage is consistency and certainty of coverage for a job site exposure. Some contractor's GL policies may not automatically include this coverage and if they do not endorse their policy and you do not provide the coverage under the ROCIP, there could be a gap in coverage. The coverage is typically available from most CIP insurance carriers. We recommend you consider a warranty call back period of 12-24 months to provide premises coverage under the ROCIP for contractors to come back on site after contract completion to perform punch list or warranty work. If the work is not complete, coverage should not be terminated.

- C. The primary benefit in including off site manufacturing or fabrication is to control coverage avoid potential disputes between the installer's policy and the manufacturer's policy. The disadvantage is that you as the sponsor, do not have control of the off site location. As a result, off site manufacturing or fabrication as a general rule should not be covered because as the sponsor you have no real control of the off site activities. However, if the fabrication and installation such as with steel fabrication and installation are a part of the same contract, it could be an option to enroll the steel fabricator for GL only.

8. In your experience, what do most ROCIP/OCIP carriers require as conditions for participant enrollment and coverage? Many large projects may have day laborers working, are these workers usually covered by these types of programs and by owners? Explain.

The ability to identify and track on site payroll is generally the governing criteria. Day laborers if treated as employees of an enrolled contractor would be covered. If treated as an independent contractor and have not formally elected to be covered by the contractor as an employee, they would not be covered. Labor leasing companies who provide labor services to covered project site should enter into a subcontract agreement and be enrolled as a contractor.

9. The City has paid the carrier funds that have been held in a 'Loss Fund' from which losses within the deductible were paid. Due to the long close out time of these programs and the collapse of several large financial institutions and insurance carriers, the City expects a different type of financial arrangement that will protect the City's collateral. What type(s) of collateral arrangement(s) do you recommend?

The collateral options on a large deductible program are typically letter of credit, cash, surety bond but only for a portion of the collateral or assets held in trust. Selection of a highly rated carrier with a stable financial outlook can mitigate some of the financial risk as can the selection of a collateral instrument. The LOC, surety bond and assets in trust all involve a third party issuing or administering the collateral which mitigates the risk presented by the insurance carrier but might create other financial risk based on the original concern. Even given the cash option with the carrier, there is a legal contract in the form of a deductible agreement and specific insolvency provisions would apply. Standard markets would be supported by the insurance guarantee fund.

10. What specific process does your agency plan to utilize in order to effectively and efficiently reconcile insurance carrier premium, loss fund, broker fees, audits, and adjustment paid in amounts with your client's financial records of these amounts for the many years required before the program is closed out?

Owner controlled insurance program closeout commences by obtaining the final exposures upon which the program is adjusted. Marsh's use of MWrap, our web-based OCIP management system, ensures the acceleration of this process by producing reports that accurately reflect the exposures required by insurance carriers to make their final adjustments.

Steve Morgan, as your Marsh OCIP Broking Specialist will be responsible for the review and approval of all proposed program adjustments from the OCIP carrier. His review will ensure that all adjustments are completed based on the agreed upon program parameters and are done on an accurate and timely basis.

In addition, Marsh works with both the underwriters and financial personnel of the insurance carriers to reduce collateral held by them and return it at the earliest possible opportunity. Aggressive claims handling and the closure of claims is key to reducing and returning collateral at the earliest possible time. Further, Marsh will ensure that our contract with the City enables our firm to be compensated appropriately so that we may continue the evaluation of claims and collateral, working with the carrier's adjuster until all claims are resolved and closed.

MIS SYSTEM/PROCUDURES/ REPORTS

1. Describe the automated data collection capabilities available at your servicing office. Provide detail with regard to the exact types of information that your RMIS system can track. Can the system be customized for specific fields the City may want?
2. Provide detail on the various fields of data and samples of standard reports that can be provided by your current system. Can reports be customized? Can data be imported to Windows?

Online Access to Claim Information

The Marsh Claim Practice consultants are well versed in navigating most of the insurer on-line claim management systems. Many of the insurers and third party administrators offer Marsh on-line access to our client's claim information, with client permission. While many of our clients have access to these systems, they may not have the time or expertise to extract information effectively. Marsh clients benefit from our claim consultant's experience with various on-line systems and the knowledge we have gained by developing useful dashboard reports, email alerts, loss runs and various other risk management decision making tools.

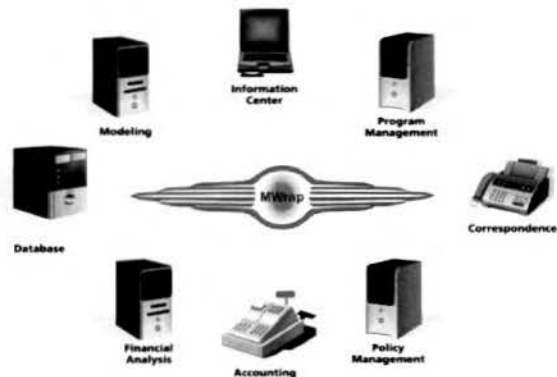
While all systems offer varying levels of reporting and financial capabilities, most do provide access to real time adjuster notes which allows for access to current information by both our clients and our claim consultants. On-line access allows our claim consultants to offer you strategic collaboration on your claims issues utilizing the on-line claims information.

Our consultants understand that your claim management and risk management needs may be different from our prior experiences and we are prepared to listen to your needs and help you identify how the on-line claim system can help automate your specific risk management process.

Administrative System: MWrap

Information management can make or break a controlled insurance program (CIP). Timely communication, streamlined contractor enrollment, and effective management information are all critical to achieve your program objectives. At Marsh, we believe that our people make the difference – but we also believe that the best tools should support the best people in the business.

With that in mind, we built MWrapSM; our web-based, integrated application for budgeting, administering, and tracking CIPs. MWrap helps ensure that your program will be right from the start, right on spec, and right through completion. MWrap is an Internet-based tool (not just internet enabled) designed to capture all of the information needed to manage a hierarchy of projects by division, region, or type of construction, depict the construction budget by bid package, enroll and administer contractor participation, and generate accurate and timely reports from anywhere you have internet access - 24/7. Through secured IDs and passwords, MWrap even allows multiple users to access records on the project at the same time.



Additional unique MWrap features:

- MWrap is designed to be fully integrated with other Marsh proprietary software, such as our award winning STARS claims system;
- MWrap incorporates a vast body of reference data, such as filed insurance rates in each state and Construction Specifications Institute (CSI) codes – the same codes utilized by construction estimators.
- Maintains a database of contractor information, including name and address, scope of work, subcontractor tier/relationships, and off-site insurance information;
- Has project attributes that allow Marsh to benchmark information for like kind and quality;
- Produces summary management reports that track against project goals, including financial reports of payroll, contract values, premiums, avoided costs and informational reports relating to contractor data.

A sample report is provided in Appendix C. The system and reports can be customized for the City, and system data can be exported to Windows.

3. The Administrator is required to prepare a monthly report for the City. Please attach a copy of a sample monthly report.

Our MWrap System offers a wide range of reports however we frequently create or customize reports for our customers to present exactly what they want to see. The financial metrics including in the enrollment data capture and the payroll reporting system will drive a lot of the metrics and support accuracy and efficiency, but the report display can be tailored as needed. See Appendix C for a sample report.

4. The Administrator is required to prepare an Annual Report for the City. Please attach a copy of a similar type report prepared by your firm for a client.

Each client has unique needs and we customarily tailor reports to meet each client's specific objectives. Attached in Appendix D is a sample of the type of reporting that can be prepared for the City.

COST PROPOSAL

1. Proposers must provide the best possible pricing structure for the services described in the scope of work outlined in this RFP. In the past the pricing structure was based upon total hours at a cost per hour to arrive at the Total Not To Exceed Fixed Fee cost. The City anticipates a fee model such as a minimum cost per year based upon a designated minimum construction value with charges incurred over the minimum at a rate per million in construction or a rate per thousand of payroll or a rate per construction project. The City will consider any payment model that you want us to review.
2. A "not to exceed" fixed fee is required for the scope of work outlined in this RFP. Payment is anticipated to be made quarterly and your proposed fees must be supported with sufficient information to allow the City to evaluate whether the total cost is reasonable. Fees should be indicated on an annual basis for the anticipated 5 year contract term.
3. The City will retain 10 percent of the total invoice amount. Retainage will be paid upon achievement of performance as outlined in the contract that shall be signed with the selected firm. The City will negotiate specific performance measures with the selected firm before the contract is signed. The release of the retainage is anticipated to occur annually and will be dependent upon successfully meeting the stipulated performance measures. The Contractor's invoice shall indicate the amount due, less the retainage. Payment of the retainage by the City shall not constitute nor be deemed a waiver or release by the City of any of its rights and remedies against the Contractor for recovery of amounts improperly invoiced or for defective, incomplete or non-conforming work under the Contract.
4. Neither the Administrator, nor any of its subsidiaries, shall receive commission or compensation from insurance companies selected to provide insurance for this ROCIP.
5. The period of time over which the fees will be paid will be negotiated. Even if the fee ends at a specific point in time, broker services must continue until the applicable ROCIP program is considered closed and final by the carrier, the City, and the Administrator.

Year	1	2	3	4	5
Fee	\$175,000	\$175,000	\$175,000	\$180,000	\$180,000

Five Year Not-To-Exceed Fee: \$885,000, Payable in Equal Quarterly Installments

Assumptions:

- 77 Projects
- \$472 Million Construction Value
- May 2013 Construction Start
- May 2018 Construction Completion
- Quarterly Claim Reviews

If any of these parameters change significantly, we reserve the right to negotiate with the City to achieve mutually agreeable payment terms. We propose an adjustment at a rate of 20 cents per \$100 of additional Construction Value.

6. Indicate any discretionary services outlined in your proposal that are not included in your fees. In addition, indicate the method for determining the cost of any additional or supplemental services.

Safety services at peak periods would be billed at a rate of \$85 per hour. Safety services would be performed by our subcontractor, Engineering Safety Consultants.

Prior to the commencement of any work in connection with this RFP, Marsh USA Inc. ("Marsh") will work with the City of Austin ("Owner") to arrive at a mutually acceptable service agreement. Marsh's performance of services for Owner is subject to the negotiation and execution of such an agreement, the scope of services and compensation terms of the agreement will be modified for this specific engagement.



APPENDIX A

TEAM BIOGRAPHIES

STANLEY T. BRATTON

CURRENT RESPONSIBILITIES

Stanley Bratton is a Senior Client Executive for Marsh USA, Inc, serving construction clients and project owners in the south central region. He works directly with selected clients to evaluate their exposures and to help design and implement holistic risk management solutions. Stan also supports the regions business development initiatives by identifying target accounts and providing consultation to those customers based on their construction operations and business goals to help improve their bottom line results. This includes working with leading insurance carriers to negotiate competitive terms and conditions for insurance placements.

EXPERIENCE

Stan has extensive risk management experience focused on the construction industry working with major brokers and insurance carriers. Prior to joining Marsh in 2012, Stan worked with a different national firm as a Senior Client Manager and a major insurer as their Construction Regional Vice President. His focus on construction and introduction to wrap ups began when St. Paul Construction created their large contractor group in the early 1990's. Stan has worked as an agency client executive, production underwriter, underwriting manager, wrap up account manager and a construction regional vice president.

Over the past 20 years, Stan has been dedicated to the construction industry with a focus on large contractors and controlled insurance programs. During that time, he has worked closely with both public and private owners on civil and commercial projects designing and implementing single project site and multi-site rolling programs. Stan has been a guest speaker and panelist at various regional industry association events addressing industry trends and various controlled program issues.

- Client Executive and advisor for Harris County Metro
- Client Executive for Flintco Construction CCIP
- Client advisor for TransCanada Pipeline Project
- Broker Senior Account Executive for City of Austin ROCIP V
- Lead underwriter on first major ISD wrap in Texas (Austin ISD)
- Lead underwriter on first major new airport construction in Texas (Austin Bergstrom Airport)
- Supervising underwriter on City owned aviation wrap up (City of Houston)
- Supervising underwriting on the first integrated coverage wrap up in Texas (DFW Airport Terminal D and People Mover)
- Underwriting manager in development of the first CCIPs in Texas (Austin Commercial, Linbeck Construction, Beck, Rogers O'Brien)

EDUCATION

Stan holds a Bachelor of Business Administration degree in Finance from the University of Texas at Austin and has earned professional designations including Charter Property Casualty Underwriter (CPCU), Associate in Risk Management (ARM), Certified Insurance Counselor (CIC) and Certified Risk Manager (CRM).

CATHY CROWN

Assistant Vice President

CURRENT RESPONSIBILITIES

Cathy Crown is a client representative in Marsh's San Antonio office. In this role, she is a key member of the client service team. In conjunction with the client manager, she ensures that all day-to-day service needs are met in a timely and professional manner.

EXPERIENCE

Cathy joined our firm in 2005 and has worked in the insurance industry for 31 years. She has extensive knowledge and experience in working with various industries, including but not limited to, construction, transportation, financial institutions, real estate, and manufacturing.

EDUCATION

- Associates in business, Amarillo College, Amarillo, TX

AFFILIATIONS

- Certified Insurance Counselor (CIC)
- Licensed Broker in the State of Texas

MICHELLE DREW

Assistant Vice President

CURRENT RESPONSIBILITIES

Michelle Drew serves as a client representative in Marsh' San Antonio office. In this role, she insures that all day-to-day service needs are met in a timely and professional manner.

EXPERIENCE

Michelle joined our firm in 1993 and began her insurance industry career in 1983. She has extensive knowledge and experience servicing large risk management clients in areas such as public entities, construction, and investment groups. Michelle's experience includes six years as client representative for a local water utility, six years as client representative for a political subdivision of the state of Texas and six years as client representative for a local school district.

AFFILIATIONS

- Certified Insurance Service Representative (CISR)
- Certified Insurance Counselor (CIC), in progress
- Licensed Broker in the State of Texas

JOHN EGAN

Senior Vice President

CURRENT RESPONSIBILITIES

John Egan is a client executive for selected construction, controlled insurance program, and manufacturing clients in Marsh's Dallas and Houston offices. In this role, he is responsible for coordinating the delivery of all Marsh resources to his clients, supervising the client team, developing marketplace strategies, and crafting solutions for unusual business and insurance risks. He has extensive knowledge in all areas of construction risk management including program design, insurance placement, contract review, technology systems, claim management, and safety.

John is also the construction and project risk practice leader for Marsh's South Central Partnership area which includes Texas, Oklahoma and Louisiana. In this capacity he is a resource to various Marsh client executives and their construction and real estate clients.

EXPERIENCE

John joined Marsh in 1989. Up until 2001, he was deputy practice leader for Marsh's National Controlled Insurance Program practice. He has worked closely with several large construction firms to help them successfully manage their risk. In addition he has been the client executive on many of the largest and highest profile construction projects in Texas.

EDUCATION

- BS in engineering, Illinois Institute of Technology
- MS in management, University of Texas at Dallas

AFFILIATIONS

- Chartered Property and Casualty Underwriter (CPCU)
- Associate in Risk Management (ARM)
- American Society of Safety Engineers Member
- Construction Financial Managers Association Member

TOD HOLLIS

Vice President

CURRENT RESPONSIBILITIES

Tod Hollis is a consultant in the Marsh Risk Consulting Practice.

EXPERIENCE

Tod joined Marsh in October 2005. Prior to joining the firm, he spent twenty years at various insurance carriers starting with Aetna Life and Casualty, Royal & Sun Alliance, and Zurich in risk management loss control. His responsibilities involved managing loss control services to a variety of clients to include the construction industry as well as healthcare, hospitality, manufacturing, retail and industrial operations. He provides risk control services to clients involved with Own Controlled Insurance programs. He has advised clients how to build effective injury and accident prevention programs, gain compliance with OSHA, USDOT, and state regulatory agencies and provide effective safety training.

EDUCATION

- Kennedy Western University

AFFILIATIONS

- American Society of Safety Engineers (ASSE) professional member
- Texas Field Safety Representative
- Texas Professional Safety Source
- Arkansas Field Safety Representative
- Arkansas Professional Safety Source

KATEY JONES

Vice President

CURRENT RESPONSIBILITIES

As the US Operations: Centralized Services Certificate Production Manager for the Central and West Zones, Katey Jones leads seven certificate production teams who support the Central/West book of business, ensuring accurate and timely completion of certificate transactions and carefully assessing the technology requirements for this line of work. Katey's expertise with Certificate Management includes in-depth knowledge of Commercial Insurance, relationship management with Advisory colleagues and Marsh clients, process design, and liaising between MGTI and Operations for successful system enhancements/implementations.

EXPERIENCE

Katey joined Marsh in 2001. She started in the Chicago office, defining and implementing an Auto ID Card process. Katey moved to Brokering in 2002 and, in late 2003, she relocated to Austin to join the Centralized Services team. She has successfully developed streamlined processes that have reduced costs, enhanced value to internal and external clients, and developed benchstrength of colleagues who are now in leadership positions.

EDUCATION

- BA in Communications, The Ohio State University, Columbus

JEANNIE LABBAN

Client Representative

CURRENT RESPONSIBILITIES

Jeannie Labban serves as a client representative in the Marsh Houston office. In this role, she insures that all day-to-day service needs are met in a timely and professional manner.

EXPERIENCE

Jeannie joined our firm in 2001 and began her insurance industry career in 2003. She has extensive knowledge and experience servicing large risk management clients in areas such as public entities, construction, and energy groups. Jeannie's experience includes six years as client representative for an international energy group, five years as client representative as part of a team for a construction group. Jeannie is also client representative for a large real estate group as well.

Affiliations

- Certified Insurance Service Representative (CISR)
- Associate in Risk Management
- Certified Insurance Counselor (CIC), in progress
- Licensed Broker in the State of Texas

LINDA S. MEIK

Vice President

CURRENT RESPONSIBILITIES

Linda Meik serves as a claim consultant in the Dallas Claim Department providing claims advocacy and consulting services for workers' compensation, liability, and FINPRO clients. Her clients are those predominantly within the healthcare, construction and retail industry. She had previously served in the role as a Marsh claims consultant in an outsourced workers' compensation dedicated claim unit for a national retail client.

EXPERIENCE

Linda joined Marsh in 2001. She has over twenty years of experience in the managed care arena with group health and workers' compensation employers, assisting companies/clients with choosing, implementing and evaluating their managed care programs. Linda had been instrumental in working with the State agencies in developing rules and regulations impacting the medical delivery process and with clients who have enrolled in these managed care programs. In addition, she has assisted clients, with Texas exposure, who have chosen not to be in the workers' compensation system in implementing, reviewing, establishing processes to handle their work injury claims.

EDUCATION

- BA in psychology and sociology, Dakota Wesleyan University

AFFILIATIONS

- Workers' Compensation Adjuster License
- Property & Casualty License

STEVEN R. MORGAN

Senior Vice President

CURRENT RESPONSIBILITIES

Steve Morgan is a casualty advisor in Marsh's Chicago office and leads the Construction Wrap-Up Practice. He is responsible for the management and administration of owner controlled insurance programs, contractor controlled insurance programs, and rolling wrap-up opportunities. His duties include program design of coverage terms and conditions and limit requirements, creation of the underwriter's submission, marketing, negotiation of the wrap-up program, implementation of the wrap-up program, negotiations with contractors, and ongoing project management reports.

EXPERIENCE

Prior to joining Marsh in 2003, Steve more than 10 years of experience as an underwriter primarily specializing in construction programs. He has been involved in over 30 wrap-ups, including single site, rolling, and maintenance programs. His experience includes projects with large universities, hospitals, commercial development companies, public entities, petro-chemical companies, and heavy civil projects.

EDUCATION

- BA in accounting and business administration, Augustana College

AFFILIATIONS

- Certified Public Accountant (CPA)
- Licensed Broker in the States of Arizona, California, Hawaii, Illinois, Indiana, Kansas, Maryland, Missouri, New Jersey, Nevada, and Texas
- Construction Risk Insurance Specialist (CRIS)



Personal Resume Of Kenneth C. Paninski

SUMMARY

- Bachelor's Degree from Southwest Texas State University and graduated Magna Cum Laude
- Associates Degree in Applied Science from Community College of the Air Force
- Staff Sargent in the Texas Air National Guard responsible for munitions and bomb assembly and their related safety
- Active Duty Air Force Electronics Technician responsible for electrical safety
- Made over 700 jobsite audits and conducted more than 200 safety meetings and certification classes supervising the safety of both building, heavy highway construction and general industry projects ranging up to \$58 million for a total of over \$150 million in construction contracts last year.
- Fluent in English and Spanish

EXPERIENCE

ENGINEERING SAFETY CONSULTANTS, Austin Texas 1999 – present

Previously the safety director for the general contractor on the \$58 million Austin Convention Center renovation project and the \$30 million Arts, Theater & Physics building addition project for Southwest Texas University. Trained to teach in-depth Confined Space, CPR/First Aid, and Excavation/Trenching courses; as well as a myriad of basic safety five to thirty minute "Toolbox Talks." Proficient in the assessment of a construction/industrial site to determine inadequate and/or lack of safety standards and how to correct them. Extensive knowledge on required safety programs to keep job sites in accordance with OSHA standards 1910/1926.

CERTIFICATIONS

- TEEX Certified in Utility Safety
- Holds a Class "B" License by the Texas Department of Insurance State Fire Marshal
- Certified CPR & First Aid Safety instructor
- Certified by the United States Air Force for Forklift Operation
- UT OSHA 500

ACCOMPLISHMENTS AND HONORS

- Graduated Magna Cum Laude, School of Liberal Arts, May 1995 Southwest Texas State University. GPA: 3.7
- Member of Golden Key Honor Society
- Volunteer as a bilingual tax preparation counselor at the Southside Community Center, San Marcos, Texas, under the I.R.S. V.I.T.A. program. Volunteer at the San Marcos Library as an ESL instructor.

ADDITIONAL STRENGTHS

- Multicultural Background: Raised in Venezuela. Attended Spanish/German schools for

eleven years. Lived in Germany for six years while in the U.S. Air Force. Spent free time immersed in the language and culture. Familiar with the cultural protocol and nuances of Latin America and Europe.

HEATHER NUNEZ-PERRY

CURRENT RESPONSIBILITIES

Heather's role as an Assistant Claims Advocate is to provide support and assistance in claims advocacy and claims consulting. She analyzes coverage and acts as a liaison between our clients and their carriers.

Heather is also key member of the Marsh Claims Analysis and Reporting Unit for supporting and delivering daily claims services in accordance with Marsh Professional Standards.

EXPERIENCE

Heather joined Marsh in 2006 and has held positions in FACS and the Marsh Claims Practice. Her client base includes real estate, energy and retail.

AFFILIATIONS

- Texas Property and Casualty Adjusters License
- General Lines Agent License
- Pending Associates in Claims

CHERI VELTMAN

Assistant Vice President

CURRENT RESPONSIBILITIES

Cheri Veltman is a client advisor, responsible for managing the administration service unit for Owner Controlled Insurance Programs (OCIPs) in the Marsh Dallas office. She shares responsibilities in all areas of client service, brokerage, client advisory, and risk management information systems.

EXPERIENCE

Cheri joined Marsh in 1998 as part of the business development team and moved into the OCIP department in 1999. She has experience working with a variety of clients both in the public and private sectors. Her wrap up experience includes multiple industries, including school districts, university systems, airports and aviation, athletic stadiums, technology, hotels, and home and condominium builders.

EDUCATION

- BS in hospitality management, University of North Texas

STEVEN K. WU

Senior Vice President

CURRENT RESPONSIBILITIES

As the Wrap-up Service Center leader for Marsh in the Central Zone, Steven Wu's focus is on designing, implementing, and delivering wrap-up services for both CCIPs and OCIPs, while continually streamlining processes and procedures. Steven is dedicated to construction as part of the Construction Risk Practice of Marsh and oversees the management of 40+ wrap-ups throughout the Central Zone.

Steven has experience with a broad spectrum of projects, public and private, contractor-controlled and owner-controlled, which enables him to bring creative solutions and lessons learned to clients when setting up new programs.

EXPERIENCE

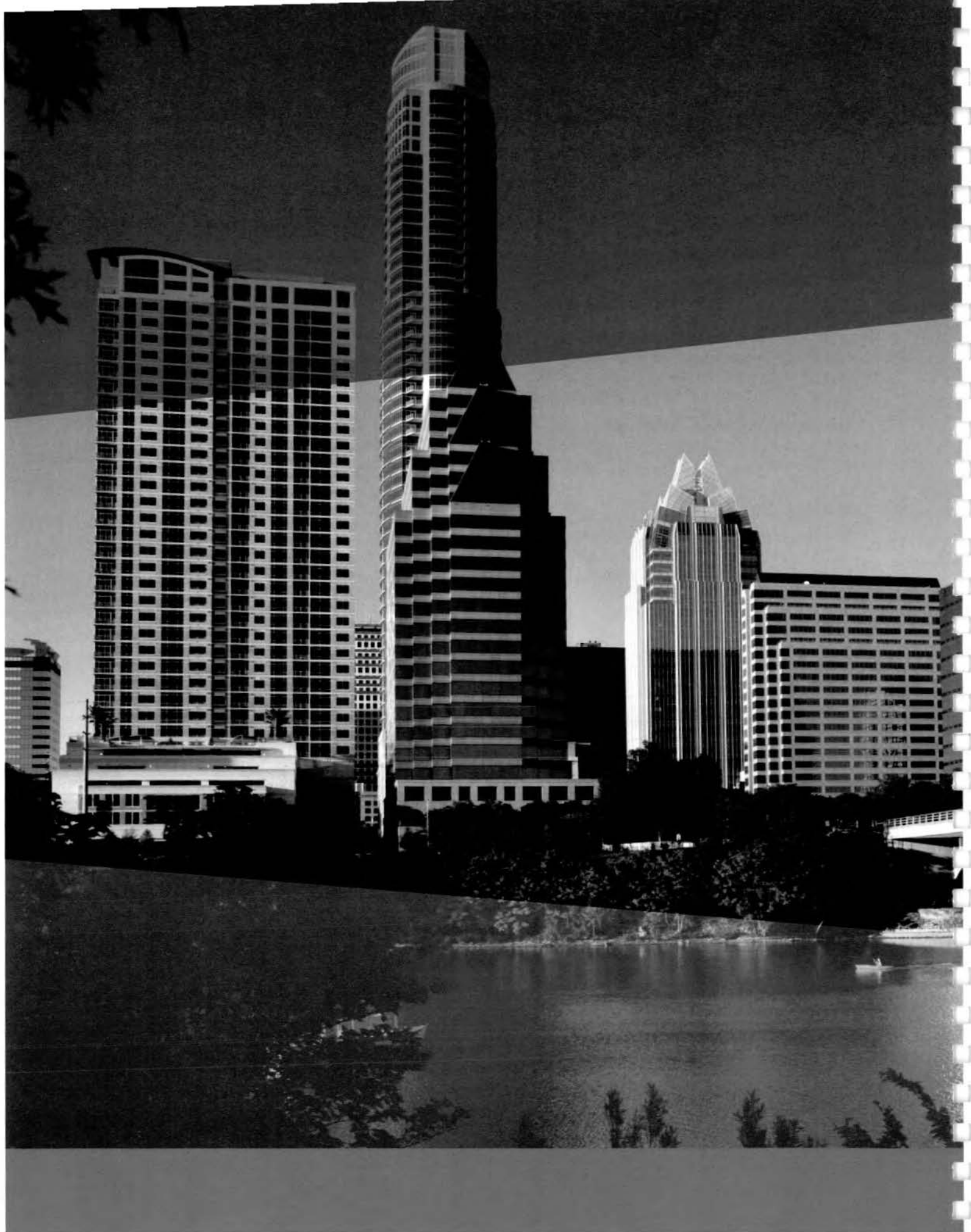
Steven has 25 + years of experience in the insurance industry handling large risk transfer and captive accounts. Steven's experience stems from both the carrier and broker sides of the industry, which included the design and structure of several national accounts. Steven was previously the National Practice Leader for Construction and Owner / Contractor Controlled Insurance Programs for a major retail broker. In this role he orchestrated the development and implementation of client services, brokerage, coordination of loss prevention and claims.

EDUCATION

B.S. Finance, The Ohio State University, Columbus, Ohio

AFFILIATIONS

- Licensed Broker in the State of Texas, multiple non-resident licenses



APPENDIX B

CITY OF AUSTIN PERFORMANCE
MATRIX

City of Austin Performance Matrix

MINIMUM REQUIREMENTS FOR ADMINISTRATOR SERVICES

1. Design, Marketing and Implementation of Insurance Program

- a) Analyze project hazards and recommend appropriate level of risk retention and transfer and design an insurance program that protects the City from loss.
- b) Develop the underwriting submission/"scope of work section" for presentation and submit package to insurance carriers who can provide the coverage and program desired.
- c) Provide a thorough written analysis and evaluation of quotations from insurance carriers, including the electronic and sorting capabilities of their claims data system.
- d) Create a selection criteria matrix and coordinate the carrier selection and interview process.
- e) Facilitate negotiations with selected insurance carrier.
- f) Bind coverage and maintain insurance policies and coverage without lapses.
- g) Review policies to verify conformance with specifications; request, implement and monitor all required coverage changes; participate in the negotiation of policy renewals, premium pay-ins, audit returns, reconciliations of all monies, and buy-out provisions.
- h) Develop a notification letter to contractors notifying them of any property damage claims that may result in up to \$5,000 being withheld from their City construction contract for the contractor's general liability property damage deductible as outlined in the construction contract.
- i) Review City construction contract documents and provide analysis and recommendations with regard to changes in authority, wording, and forms. This document can be viewed on line at www.ci.austin.tx.us/aeservices/toc.htm (Standard Construction Documents. The insurance requirements are found in Section 00810).
- j) Ensure all endorsements and coverage forms are correctly indicated in the City contract documents and other applicable forms and manuals where appropriate.
- k) Coordinate adjustments and negotiations for close out of ROCIP VI program.

2. Policyholder Services Provided By the Administrator

- a) Be available during regular business hours to answer phone calls and field questions; coordinate ongoing insurer services between all parties, including but not limited to:
 - Providing assistance to contractor inquiries regarding elimination of insurance costs from bids,
 - Providing enrollment support to contractors who need assistance at time of award, and
 - Handling of all claims
- b) Aid in the coordination of all data gathering functions and processes between all parties by attending meetings as required and documenting final decisions.
- c) Communicate with and secure all data required for tracking purposes by following processes and procedures agreed to by all parties.
- d) Develop detailed Procedures Manuals for the Project Managers and the Contractors with written procedures and flowcharts for all functions and activities.
- e) Issue insurance binders, certificates, and policies to all contractors.
- f) Secure and maintain evidence of auto liability and other insurance (such as builders risk) required by the contract from all non-enrolled and enrolled contractors working on ROCIP projects. This evidence of coverage once collected shall be forwarded to City Contract Management.
- g) Secure and track WC and GL insurance coverage information for all enrolled contractors. Contractors are not required by the City to carry off-site insurance coverage.
- h) Give ROCIP presentation at all pre-bid and pre-construction meetings.
- i) Organize program status meetings every month during initial and peak program phases, and as required during program phase-out and provide meeting minutes to City within two (2) weeks.
- j) Provide a monthly status report, which includes detailed information concerning Contractor, Administration and Claims.
- k) Set up, coordinate and manage Insurer audit procedures and time lines, and collect and report payroll data from all enrolled contractors on a monthly basis.
- l) Verify the accuracy of any bills, audits, and other premium adjustments.
- m) Provide presentations and written information to Associated General Contractors and other professional organizations, Project Managers,

Inspectors and other professionals to disseminate general information about the program.

- n) Notify all enrolled contractors and project managers when ROCIP coverage no longer exists.
- o) Coordinate a quarterly working lunch or other workshop for enrolled contractors in order to provide additional information related to the construction industry and ROCIP VI claims activity. Attendance has been approximately 15 people. Expenses have been borne by the broker.

3. Claims Management

The City expects the Administrator to pro-actively manage the losses experienced under ROCIP VI. This includes close oversight of reserve handling procedures of the carrier and frequent communication with the adjusters during the claims handling process.

- a) Coordinate claims handling activities and processes between the carrier, City personnel, and the Administrator. Unbundling is not proposed; there are serious claims management concerns due to the number of different projects and poor claims reporting habits of the contractors. Administrator shall be required to assist in the management of claims reporting.
- b) Facilitate education and training of the contractors regarding claims reporting procedures.
- c) Provide on site claims services, when necessary, by interviewing witnesses and facilitating coordination of information required by the carrier.
- d) Monitor claims activity and provide this information in the form of a status report for the monthly meetings.
- e) Provide recommendations for medical cost containment and other methods for reducing claims costs; perform analysis of reserves and negotiate claims issues with the carrier. Coordinate quarterly claim review meetings between City and carrier.
- f) Assist City with all necessary support for the management of the contractors general liability insurance property damage deductible.
- g) Provide additional safety site inspection services, if requested, during peak enrollment periods of the program.

4. Risk Management Information System (RMIS)

The Administrator is responsible for providing a risk management information system (RMIS) that is fully capable of reporting all relevant information necessary for the successful management of the program and completion of the reports as indicated in **Attachments C & D** of this RFP.

5. Reports & Records

The City of Austin is tracking the performance of the ROCIP as a city program. The selected Administrator must have the capability to capture and provide essential data used to evaluate the success of the program. The Monthly Report, Net Cost Savings Calculation and Open Market Premium spreadsheets, as indicated below, contain information that is used as formal documentation for the results measure reported to the Budget Office.

- a) Monthly report to be provided at the monthly service meeting. This report shall at a minimum include:
 - Number of projects enrolled in the program, percentage complete for each project, number of completed projects, number of active projects.
 - Number of contractors enrolled in the program; number of enrolled contractors with no off site insurance, percentage of contractors identified as minority contractors by ethnic group (African American, Asian American, Hispanic, Native American, Women owned).
 - Claims summary to include all claims. This spreadsheet highlights all new claims, provides a breakdown between GL and WC claims, identifies project, GC, contractor and claimant, DOL and description of loss. Sorting capability is critical.
 - Premium recap providing projected values and payroll; completed project values, completed project payroll, losses for completed projects, losses to date for all projects
- b) The Net Cost Savings Calculation Spreadsheet (**Attachment C**) is to be provided monthly. This spreadsheet contains data on completed projects only.
- c) The Open Market Premium Calculation Spreadsheet (**Attachment D**) is to be provided monthly as backup for the Net Cost Savings Calculation. This spreadsheet contains the specific rate and payroll information for every contractor of every tier.
- d) Subcontractor Report, due the 10th of each month. This report is for the verification of the small & minority contractor participation for the Administrators contract, if applicable.
- e) Weekly enrollment report is to be provided to all project managers, Construction Safety Manager and others. This report is to help ensure all contractors providing construction services on site are enrolled in the ROCIP program.
- f) Prepare Annual Reports and a Final Report for the City's Risk Manager. Reports are to be Executive Reports and are due annually.
- g) Make all contractor files available to the City for audit purposes.

Administrator shall be responsible for storing and maintaining all paper records and documents associated with the ROCIP program for a period of five (5) years after the completion of the last construction project. The Administrator shall also back-up all data contained on any proprietary database and make these records available to the Owner upon contract completion.

Additional reports may be requested as deemed necessary by the City. All program information will be available upon request.

Legislation mandates municipalities comply with the Records Retention Act. The Administrator will assist the City by maintaining records as outlined above.

6. Special Provisions

Commit that the named principal and other key personnel responsible for the project will not be removed by the Administrator from the account without prior approval of the City. Replacement of key personnel is subject to approval by the City's Risk Manager.

If selected to provide services, work performed in the marketing of the insurance shall be conducted without charge to the City if the City determines that the insurance quotations or provisions received through the marketing process are not viable.

Provide appropriate broker services until the insurance program provided by the carrier to the City is considered closed and final by the carrier, the City, and the Administrator.

Administrator shall be asked to perform as an agent of the City including issues related to confidentiality.

A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities is required.

APPENDIX C

SAMPLE MWRAP REPORT

Projected Contractor Costs/Deduct Report. Scope Level: Project

MARSH

Sponsor:

From Date: 07/05/2012

To Date: 11/21/2012

As Of Date: 11/21/2012

Hierarchy Name: OKLAHOMA

Project Name: DIRECT

Owner:

Marsh Contact:

Master WC Policy #:

Duration: 24 months

Phone #:

Master GL Policy #:

Budget Status: Second baseline

Exp. Construction Cost:

Bid Package ID & Name: Division 1 - General Conditions

BP Value:

BP Status: Partially Bought Out

Contractor	FEIN	EMR	WC Policy #	Eff. Date	Contract No.	Contract Amount	Primary Insurance Contact	Phone	Enrollment Status
		0.85	N/A	08/15/2012	002	\$675,000.00			Enrolled
				Contractor Expected Costs				Contractor Reported	
Coverage	Class Code	Description	Base Rate (1)	Fully Adjusted Rate (2)	Exposure Basis	Base Premium (3)	Fully Adjusted Premium (4)	Hours	Projected Ins. Credit to Date (5)
WC	5606	Construction supervisor or superintendent	\$0.33	\$0.30	\$25,000.00	\$82.50	\$75.10	N/A	
WC	8720	Pipe testing or inspection - non-destructive other than radiography	\$0.35	\$0.32	\$93,666.66	\$327.83	\$298.44	N/A	
WC Summary			\$0.35 **	\$0.31 ***	\$118,666.66	\$410.33	\$373.55		
GL	99999	composite	\$2.00	\$2.00	\$118,666.66 (P)	\$2,373.33	\$2,373.33	N/A	
GL Summary			\$2.00 **		\$118,666.66 (P)	\$2,373.33	\$2,373.33		
Excess				\$0.00		\$0.00	\$0.00		\$0.00 (F)
Profit & Overhead				\$0.00		\$0.00	\$0.00		\$0.00
Contractor Summary						\$2,783.67	\$2,746.88		\$0.00

Contractor	FEIN	EMR	WC Policy #	Eff. Date	Contract No.	Contract Amount	Primary Insurance Contact	Phone	Enrollment Status
		0.83	N/A	08/15/2012	001	\$2,025,000.00			Enrolled

APPENDIX D

SAMPLE PROGRAM MANAGEMENT SAMPLE



LEADERSHIP, KNOWLEDGE, SOLUTIONS...WORLDWIDE.

SAMPLE REPORT PROGRAM MANAGEMENT

DATE

Presented to XYZ



NET COST SAVINGS ANALYSIS (FINANCIAL STATUS REPORT)

Administration

Location	Administration											
	Project Number	Project Name	Contract Price	Enrollment C.I.C.	Est. Payroll	% Complete	# Contracts Enrolled	# New Contracts	Payroll Reported To-Date	Actual % to CV	Est % to CV	20% Payroll to Benchmark
XYZ	601-058	XYZ	\$6,000,000.00	\$7,140.00	\$982,479.50	5%	13	4	\$48,114.49	1%	16%	1,200,000
SC 2/16/10 Order new SC 9/10 CS 8/27/10 Re- opened 01/11 Final SC 128/10	601-241	XYZ	\$34,742,217.00	\$826,864.76	\$6,318,429.67	1%	52	0	\$7,937,056.10	23%	18%	6,948,443
	601-253	XYZ	\$258,734,377.00	\$246,315.13	\$10,197,374.25	4%	20	3	\$792,535.14	0%	4%	51,746,875
Partial SC 9/8/11 SC 04/11/12 per Reza	601-400	XYZ	\$8,544,000.00	\$183,012.48	\$1,213,026.25	90%	37	0	\$1,476,720.62	17%	14%	1,708,800
PSC 06/27/11; 2/13/12	601-486	XYZ	\$26,336,464.00	\$601,735.53	\$3,948,013.90	96%	68	0	\$7,826,512.64	30%	15%	5,267,293
SC 6/10/10	601-981	XYZ	\$9,022,169.00	\$214,727.62	\$1,782,036.05	100%	16	0	\$1,668,888.79	18%	20%	1,804,434
	Totals		\$343,379,227.00	\$2,079,795.52	\$24,441,359.62		206	7	\$19,749,827.78	6%	7%	68,675,845
Notes	Administration Summary - NOTES GO HERE											

NET COST SAVINGS ANALYSIS (FINANCIAL STATUS REPORT)

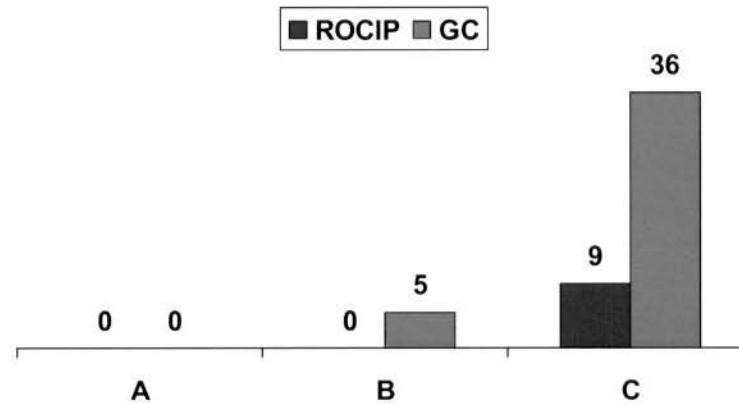
Claims

Claims							
# GL Claims	Total Incurred	Total Paid	# WC Claims	Total Incurred	Total Paid	Loss Ratio	Avg Claim Cost
0	\$0.00	\$0.00	0	\$0.00	\$0.00	0%	\$0.00
0	\$0.00	\$0.00	7	\$67,988.20	\$67,988.20	8%	\$9,712.60
0	\$0.00	\$0.00	0	\$0.00	\$0.00	0%	\$0.00
0	\$0.00	\$0.00	2	\$2,262.17	\$2,262.17	1%	\$1,131.09
0	\$0.00	\$0.00	6	\$131,078.09	\$75,203.57	22%	\$18,725.44
0	\$0.00	\$0.00	0	\$0.00	\$0.00	0%	\$0.00
1	\$0.00	\$0.00	15	\$201,328.46	\$145,453.94	10%	\$12,583.03

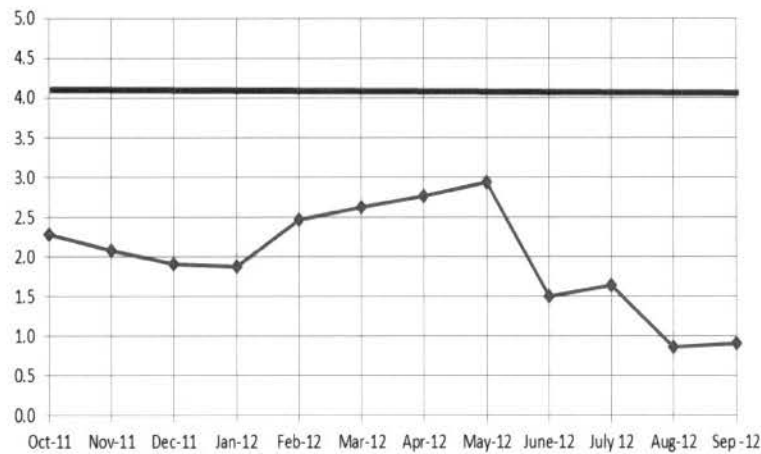
Claim Summary:	NOTES GO HERE
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SAFETY Projects

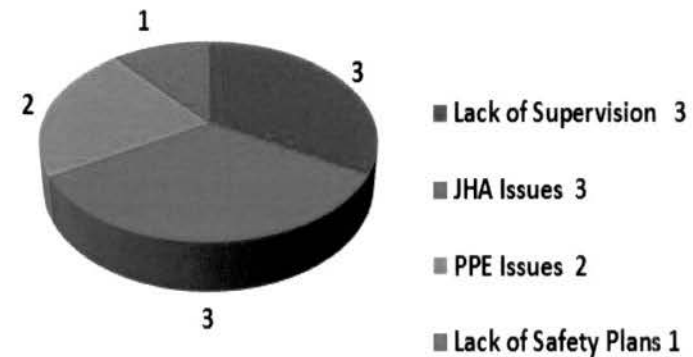
July 1-Sept 30, 2012



Recovery Twelve-Month Rolling
RIR

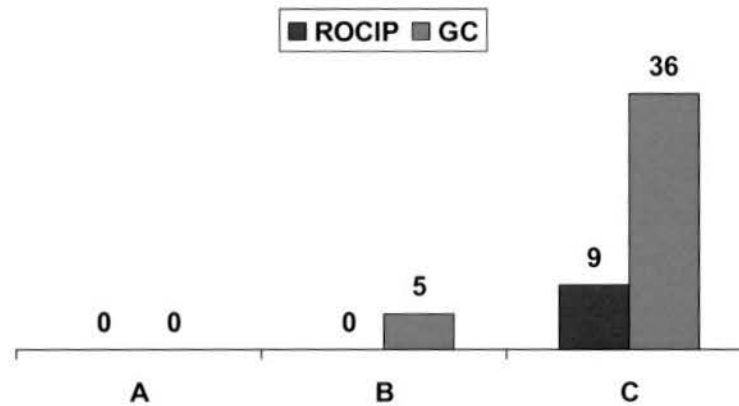


ROCIP
Deficiency Types July 1-Sept 30 2012

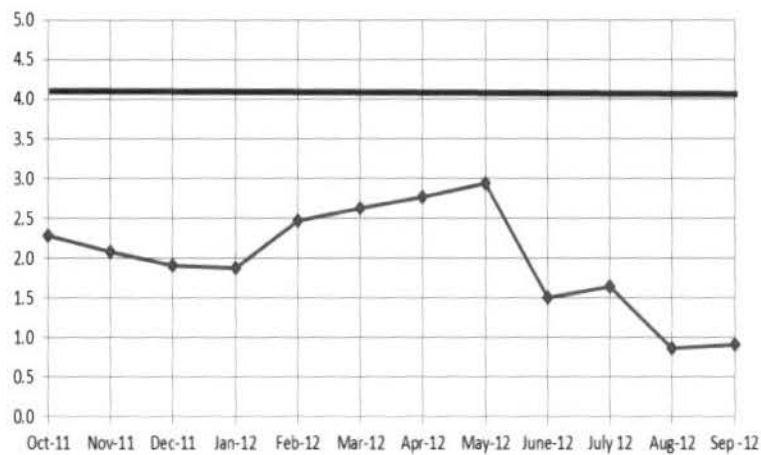


SAFETY Projects

July 1-Sept 30, 2012

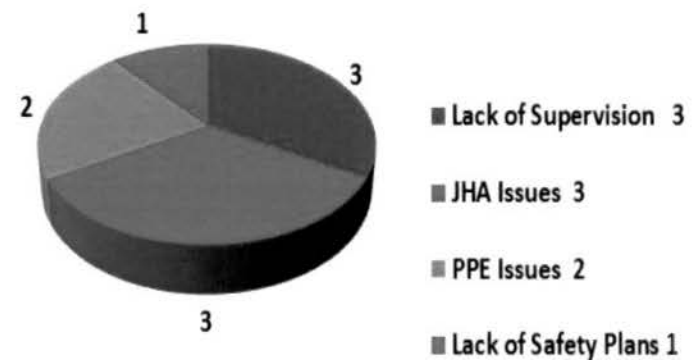


Recovery Twelve-Month Rolling
RIR



ROCIP

Deficiency Types July 1-Sept 30 2012



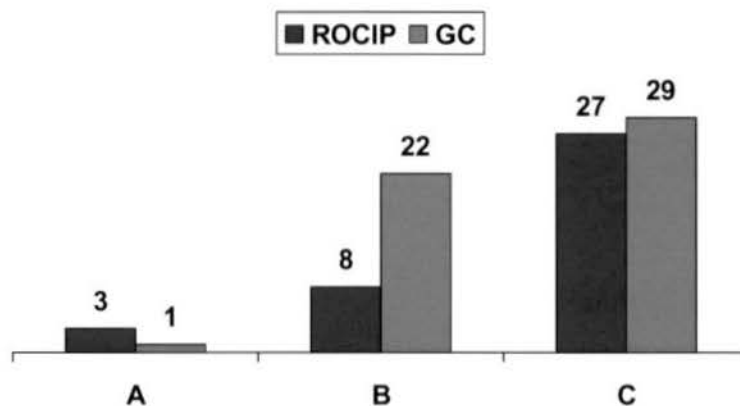
LOCATION Recovery

Location	Recovery Projects											
	601-504	Business Buildings - Recovery	\$56,718,585.28	\$337,475.58	\$7,985,450.94	25	612	3	\$9,241,352.42	16%	14%	\$11,343,717.00
	601-505	Buildings - Recovery	\$103,278,316.00	\$614,505.98	\$4,670,213.83	25	357	0	\$6,417,221.97	6%	5%	\$20,655,663.00
	601-506	Infrastructure - Recovery	\$75,756,366.00	\$450,750.38	\$4,125,378.16	25	121	14	\$4,810,120.58	6%	5%	\$15,151,273.00
	601-571	Research Buildings	\$22,995,999.00	\$136,826.16	\$3,246,519.37	25	306	6	\$5,813,528.92	25%	14%	\$4,599,200.00
		Totals	\$258,749,266.28	\$1,539,558.10	\$20,027,562.30	100	1396	23	\$26,282,223.89	10%	8%	\$51,749,853.00
Notes	NOTES GO HERE											

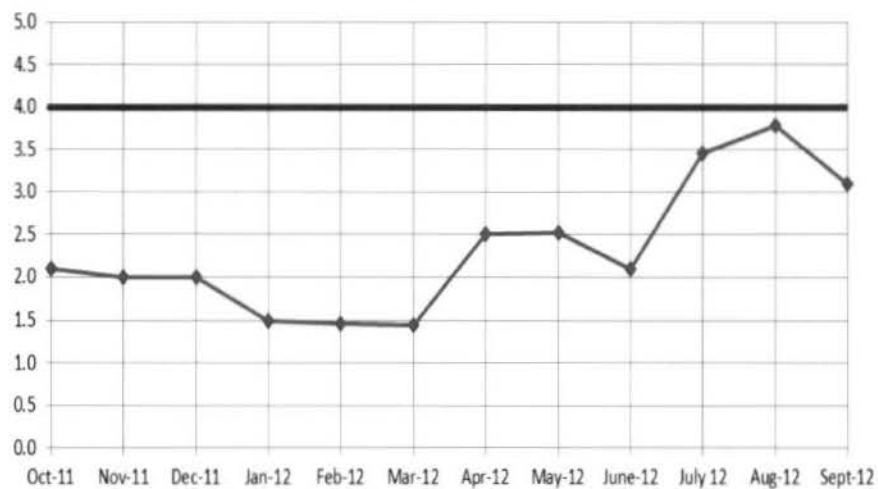
2	\$44,222.25	\$44,222.25	7	\$4,283.21	\$4,283.21	14%	\$5,389.50
1	\$29,461.00	\$29,461.00	8	\$107,298.70	\$98,969.67	22%	\$15,195.52
2	\$28,746.00	\$17,821.09	2	\$0.00	\$0.00	6%	\$7,186.50
0	\$0.00	\$0.00	6	\$2,930.08	\$2,930.08	2%	\$488.35
5	\$102,429.25	\$91,504.34	23	\$114,511.99	\$106,182.96	14%	\$7,747.90
Claim Summary		No new Workers' Compensation claims were reported this month for the projects.					

LOCATION Recovery

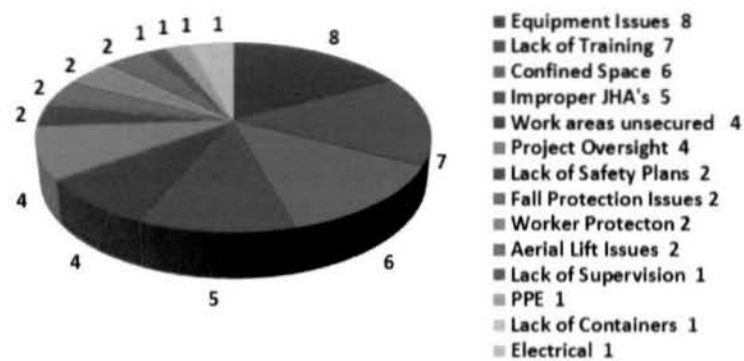
July 1-Sept 30, 2012



Recovery Twelve Month Rolling RIR

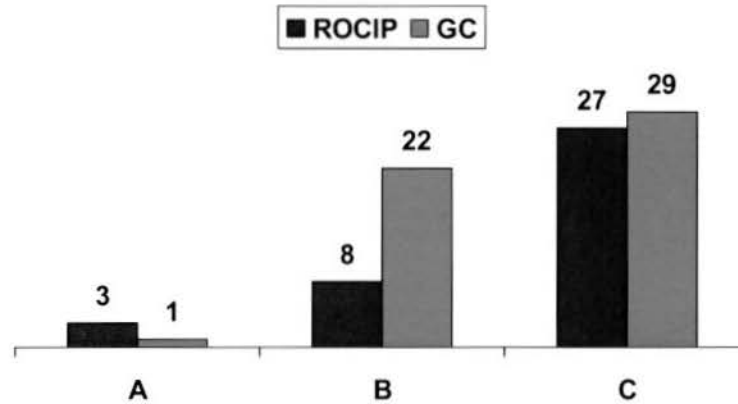


Recovery ROCIP
Deficiency Types July 1-Sept 30 2012

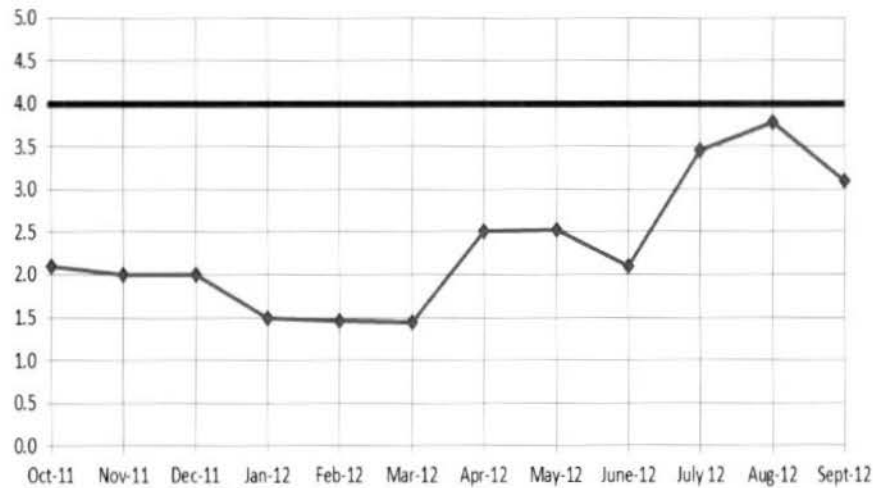


SAFETY Projects

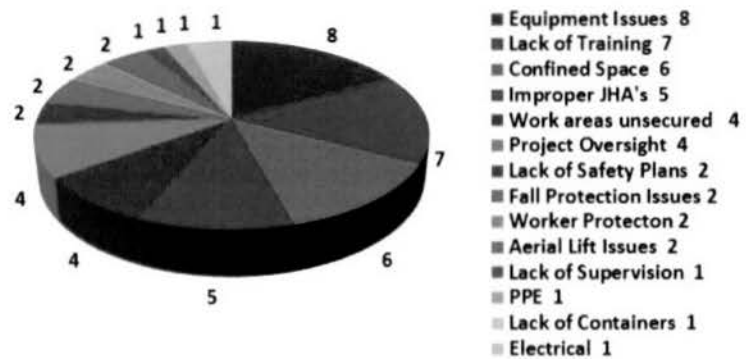
July 1-Sept 30, 2012



Recovery Twelve Month Rolling RIR



Recovery ROCIP
Deficiency Types July 1-Sept 30 2012



DISCUSSION ITEMS

- Pollution
- New Projects
- Next Quarterly Meeting
- Calendar 2013
- Meeting Invite and Distribution List
- Misc.



APPENDIX E

ROCIP/OCIP COMMERCIAL MARKET AND REFERENCE INFORMATION

RFP JSD0130 ATTACHMENT E -- ROCIP/OCIP COMMERCIAL MARKET AND REFERENCE INFORMATION

Provide the following information for your firm's current ROCIP/OCIP Markets:

CARRIER	CURRENT PREMIUM VOLUME	MINIMUM OCIP VALUES ACCEPTED
AIG	> \$100 Million	\$100 Million
Liberty	> \$100 Million	\$100 Million
Zurich	> \$100 Million	\$100 Million
ACE	> \$100 Million	\$100 Million
Hartford	> \$50 Million	\$100 Million
Old Republic	> \$50 Million	\$100 Million

- Marsh places over \$100MM per year in primary and excess casualty premiums for controlled insurance programs (including ROCIP)
- Marsh is the number 1 or number 2 Broker with every major CIP market
- Marsh currently provides risk management and insurance services on 440 US Projects, comprising \$109 Billion in construction value
-

List ROCIP/OCIP Account References that your firm has worked with within TEXAS in the last 5 years:

CONTACT NAME	FIRM	PHONE #	START/END DATES	CONSTRUCTION VALUES	LIMITS OF LIABILITY
Paul Pousson	University of Texas	512-499-4653	2008-2016	\$1 Billion	\$50 Million
Joan Lynch	Metropolitan Transport Authority of Houston	713-652-7937	2008-2014	\$1 Billion	\$200 Million
Mario Ward	Northeast ISD	210-407-0486	2005-2010	\$400 Million	\$50 Million
Bob Albanese	The Austonian	512-827-2730	2007-2013	\$200 Million	\$75 Million

List ROCIP/OCIP Account References that your firm has worked with IN THE U.S. within the last 5 years:

CONTACT NAME	FIRM	PHONE #	START/END DATES	CONSTRUCTION VALUES	LIMITS OF LIABILITY
Devin McCraney	Beaumont ISD	409-617-5151	2009-2012	\$287 Million	\$25 Million
Bob Sander	Milwaukee Metropolitan Sewerage District	414-225-2052	2004-2014	\$850 Million	\$50 Million
Michael Schaefer	San Diego Regional Airport Authority	619-400-2849	2009-2013	\$590 Million	\$152 Million
Sally Claassen	County of Winnebago	815-987-3033	2005-2007	\$130 Million	\$29 Million
Richard Bergfield	CJUF Stratus Block 21	512-478-5788	2008-2012	\$200 Million	\$150 Million

APPENDIX F

PERSONNEL QUALIFICATION QUESTIONNAIRES

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Stanley Bratton, Senior Vice President - Dallas

Describe functions and tasks of this position for this program:

Client Manager

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	15%	Fixed Fee
2 nd Year	10%	"
3 rd Year	10%	"
4 th Year	10%	"
5 th Year	15%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 9

Number of OCIP's participated in within last 10 years: 11

Number of OCIP's as lead administrator within last 10 years: 5

Number of OCIP's for governmental entity within last 10 years: 8

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Cathy Crown, Client Representative - San Antonio

Describe functions and tasks of this position for this program:

Pre-Bid and Pre-Construction Meetings

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	5%	Fixed Fee
2 nd Year	5%	"
3 rd Year	5%	"
4 th Year	5%	"
5 th Year	5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 1

Number of OCIP's participated in within last 10 years: 2

Number of OCIP's as lead administrator within last 10 years: 1

Number of OCIP's for governmental entity within last 10 years: 1

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Michelle Drew Client Representative - San Antonio

Describe functions and tasks of this position for this program:

Pre-Bid and Pre-Construction Meetings

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	5%	Fixed Fee
2 nd Year	5%	"
3 rd Year	5%	"
4 th Year	5%	"
5 th Year	5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 1

Number of OCIP's participated in within last 10 years: 2

Number of OCIP's as lead administrator within last 10 years: 1

Number of OCIP's for governmental entity within last 10 years: 1

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: John Egan, Client Executive - Dallas

Describe functions and tasks of this position for this program:

Coordinates activities of team. Responsible for overall client service satisfaction.

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	10%	Fixed Fee
2 nd Year	10%	"
3 rd Year	10%	"
4 th Year	10%	"
5 th Year	10%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 5

Number of OCIP's participated in within last 10 years: 20

Number of OCIP's as lead administrator within last 10 years: 20

Number of OCIP's for governmental entity within last 10 years: 12

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

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Individual's Name and Position:
Marsh Risk Consulting - Dallas

Gary Tod Hollis, Vice President

Describe functions and tasks of this position for this program:

Oversight and Consultation with Safety Personnel

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	<5%	Fixed Fee
2 nd Year	<5%	"
3 rd Year	<5%	"
4 th Year	<5%	"
5 th Year	<5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 4

Number of OCIP's participated in within last 10 years: 6

Number of OCIP's as lead administrator within last 10 years: 6

Number of OCIP's for governmental entity within last 10 years: 4

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Katey Jones, Certificate Center Manager - Austin

Describe functions and tasks of this position for this program:

Certificate Issuance, Pre-Bid Meetings

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 st Year	<5%	Fixed Fee
2 nd Year	<5%	"
3 rd Year	<5%	"
4 th Year	<5%	"
5 th Year	<5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 1

Number of OCIP's participated in within last 10 years: 1

Number of OCIP's as lead administrator within last 10 years: 0

Number of OCIP's for governmental entity within last 10 years: 1

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Jean Labban, CIP Administrator - Houston

Describe functions and tasks of this position for this program:

Administrate daily functions and tasks relating to the CIP program

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	50%	Fixed Fee
2 nd Year	50%	"
3 rd Year	50%	"
4 th Year	50%	"
5 th Year	50%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 3

Number of OCIP's participated in within last 10 years: 7

Number of OCIP's as lead administrator within last 10 years: 7

Number of OCIP's for governmental entity within last 10 years: 2

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Linda S. Meik, Vice President, Claims Advocate/Manager - Dallas

Describe functions and tasks of this position for this program:

Claims Consultant

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 st Year	10%	Fixed Fee
2 nd Year	5%	"
3 rd Year	5%	"
4 th Year	5%	"
5 th Year	5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 2

Number of OCIP's participated in within last 10 years: 8

Number of OCIP's as lead administrator within last 10 years: 8

Number of OCIP's for governmental entity within last 10 years: 4

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Steve Morgan, Marketing and Placement - Chicago

Describe functions and tasks of this position for this program:

Prepare financial pro-forma
Gather underwriting submission information
Transmit submission to potential ROCIP underwriters
Prepare quote comparisons, review with City of Austin
Bind program with selected insurers

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	5%	Fixed Fee
2 nd Year	2%	"
3 rd Year	2%	"
4 th Year	2%	"
5 th Year	2%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 5+

Number of OCIP's participated in within last 10 years: 30+

Number of OCIP's as lead administrator within last 10 years: 10+

Number of OCIP's for governmental entity within last 10 years: 1

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Heather Nunez, Claims Administration - Dallas

Describe functions and tasks of this position for this program:

Claims Admininstration

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	5%	Fixed Fee
2 nd Year	5%	"
3 rd Year	5%	"
4 th Year	5%	"
5 th Year	5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 1

Number of OCIP's participated in within last 10 years: 1

Number of OCIP's as lead administrator within last 10 years: 1

Number of OCIP's for governmental entity within last 10 years: 1

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Cheri Veltman, Vice President, CIP Project Manager - Dallas

Describe functions and tasks of this position for this program:

Manage profitability and revenue growth while facilitating service expectations

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	10%	Fixed Fee
2 nd Year	10%	"
3 rd Year	10%	"
4 th Year	10%	"
5 th Year	10%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 6

Number of OCIP's participated in within last 10 years: 14

Number of OCIP's as lead administrator within last 10 years: 10

Number of OCIP's for governmental entity within last 10 years: 3-4

OTHER COMMENTS/RELATED EXPERIENCE (Optional)

ATTACHMENT F

ROLLING OWNER CONTROLLED INSURANCE PROGRAM PERSONNEL QUALIFICATION QUESTIONNAIRE

COMPLETE THIS FORM FOR EACH INDIVIDUAL WITHIN YOUR ORGANIZATION PARTICIPATING IN THIS PROGRAM. IF INDIVIDUALS HAVE NOT BEEN SELECTED, PLEASE USE THIS FORM AND INDICATE THE MINIMUM QUALIFICATIONS REQUIRED FOR THE VACANT POSITION.

Individual's Name and Position: Steven Wu, Sr. Construction Service Center Leader - Dallas

Describe functions and tasks of this position for this program:

Manage Program Administration and Support Services

Indicate the estimated % of time the Individual will spend on the ROCIP Program:

YEAR	% OF TIME	HOURLY RATE
1 ST Year	10%	Fixed Fee
2 nd Year	5%	"
3 rd Year	5%	"
4 th Year	5%	"
5 th Year	5%	"

PERSONNEL QUALIFICATIONS

Number of ROCIP's participated in within last 10 years: 5

Number of OCIP's participated in within last 10 years: 50

Number of OCIP's as lead administrator within last 10 years: 0

Number of OCIP's for governmental entity within last 10 years: 7

OTHER COMMENTS/RELATED EXPERIENCE (Optional)



APPENDIX G

CITY OF AUSTIN REQUIRED FORMS

CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
Offer Sheet

SOLICITATION NO: JSD0130

COMMODITY/SERVICE DESCRIPTION: ROCIP VI Administrator

DATE ISSUED: 10/29/2012

REQUISITION NO.: RQM 5800 12102400045

PRE-PROPOSAL CONFERENCE TIME AND DATE: 10/15/2012 at 2:30pm

COMMODITY CODE: 91869

LOCATION: HR Main Conference Room, One Texas Center, 505 Barton Springs Road, STE 600

FOR CONTRACTUAL AND TECHNICAL ISSUES CONTACT:

PROPOSAL DUE PRIOR TO: 11/29/2012 at 2:00pm

Jeff Dilbert
Corporate Purchasing Manager
Phone: (512) 974-2021

COMPLIANCE PLAN DUE PRIOR TO: N/A

PROPOSAL CLOSING TIME AND DATE: 11/29/2012 at 2:00pm

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 310, AUSTIN, TEXAS 78701

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below.

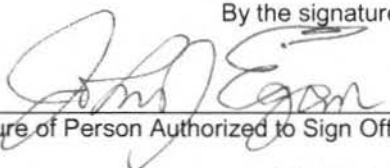
P.O. Address for US Mail	Street Address for Hand Delivery or Courier Service
City of Austin	City of Austin, Purchasing Office
Purchasing Office	Municipal Building
P.O. Box 1088	124 W 8 th Street, Rm 310
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 5 SIGNED COPIES OF OFFER

OFFER SUBMITTED BY

By the signature below, I certify that I have submitted a binding offer.


Signature of Person Authorized to Sign Offer

John J. Egan, Sr. Vice President
Signer's Name and Title: (please print or type)

FEDERAL TAX ID NO. _____

Date: 11/27/12

Company Name: Marsh USA, Inc

Address: 1717 Main Street, Suite 4400

City, State, Zip Code Dallas, TX 75201

Phone No. (214) 303-8125

Fax No. (214) 303-8649

Email Address: john.j.egan@marsh.com



REQUEST FOR PROPOSAL ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

DESCRIPTION: ROCIP VI ADMINISTRATION
RFP NO. JSD0130 ADDENDUM NO. 3
DATE OF ADDENDUM 11/28/2012

This Request for Proposal is hereby amended to incorporate the following:

1. Attachment I - ROCIP IV Net Cost Savings is hereby superseded by Attachment I - ROCIP IV Net Cost Savings (REVISED)

List of Attachments has been updated to reflect the new additions

2. The proposal closing date and time has been changed as follows:

FROM: 2:00p.m. on 11/29/2012

TO: 2:00p.m. on 12/6/2012

3. All other terms and conditions shall remain the same.

APPROVED BY: Signed copy available in Purchasing Office

Jeff Dilbert, (512) 974-2021

Purchasing Office, Finance and Administrative Services Department

ACKNOWLEDGED BY:

MARSH USA INC

BIDDER

[Signature]
AUTHORIZED SIGNATURE

11/27/12
DATE

RETURN ONE (1) COPY TO PURCHASING OFFICE, CITY OF AUSTIN, PRIOR TO CLOSING DATE OR WITH YOUR PROPOSAL; FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR PROPOSAL.



REQUEST FOR PROPOSAL ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

DESCRIPTION: ROCIP VI ADMINISTRATION
RFP NO. JSD0130 ADDENDUM NO. 2
DATE OF ADDENDUM 11/21/2012

This Request for Proposal is hereby amended to incorporate the following:

1. The following Attachments are hereby added to this solicitation.

Attachment O – ROCIP IV Losses >\$50,000;

Attachment P – ROCIP V Losses > \$50,000.

List of Attachments has been updated to reflect the new additions

2. The additional written questions received and the answers thereto are listed below:

- a) Can the City provide loss runs for ROCIP IV and/or ROCIP V and details of losses over \$50,000?

Loss runs for losses over \$50,000. See Attachment O – ROCIP IV Losses >\$50,000; Attachment P – ROCIP V Losses > \$50,000.

- b) What is the estimated number of prime contractors and subcontractors of all tiers ROCIP VI?

The City does not have information relating to the estimated number of contractors and subcontractors for ROCIP VI. Each bid for a construction project contains a compliance plan that aligns with the City's Ordinance regarding minority participation. These are established individually based upon the scope of work.

- c) On page 2 of the Proposal Preparation Instructions, under Section 4 ROCIP/OCIP Conceptual Strategy, paragraph 2 is missing. Please confirm there is no paragraph number 2.

0600 page 2 Section 4 – should read :

“2. YOUR QUOTE AND RESPONSE MUST INCLUDE THE FOLLOWING INFORMATION:...”

This was an error in numbering.

d) On page 7 of the Scope of Work, Section 3 Claims Management, paragraph g

refers to safety site inspections. How many site safety inspections, hours or total days were provided by the administrator in ROCIP IV and V? How many safety inspections, hours or days of service do you expect the administrator to provide?

The City would like the Administrator's funding to be able to support site safety services for those periods when the Safety Construction Manager deems it necessary due to high exposures or a large number of on-going projects. We would anticipate 2 days of service a month as an average. These hours shall be bankable to be used when deemed necessary by the Construction Safety Manager. The ROCIP IV Administrator provided the safety service as needed without additional charge to the program.

e) Are safety site inspections to be included or in addition to the broker marketing and administration fee?

Please provide the cost of safety services separately so it may be easily negotiated.

f) How many pre-bid and pre-construction meetings were held in ROCIP IV and V? How many do you expect in ROCIP VI? It may be the same as the total number of projects (68) shown on Attachment B but please confirm.

There is one pre-bid and one pre-construction meeting per project. If there is reason to pull a project and rebid it, the services would be required for the re-bid.

g) Can the monthly meetings be conducted via video conference or teleconference? Does this City have teleconference capability?

Yes, monthly meetings can be held via teleconference. This decision will be made monthly and at the discretion of the City.

3. All other terms and conditions shall remain the same.

APPROVED BY: Signed copy available in Purchasing Office

Jeff Dilbert, (512) 974-2021

Purchasing Office, Finance and Administrative Services Department

ACKNOWLEDGED BY:

MARSH USA INC [Signature] 11/27/12
BIDDER AUTHORIZED SIGNATURE DATE

RETURN ONE (1) COPY TO PURCHASING OFFICE, CITY OF AUSTIN, PRIOR TO CLOSING DATE OR WITH YOUR PROPOSAL; FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR PROPOSAL.



REQUEST FOR PROPOSAL ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

DESCRIPTION: ROCIP VI ADMINISTRATION
RFP NO. JSD0130 ADDENDUM NO. 1
DATE OF ADDENDUM 11/6/2012

This Request for Proposal is hereby amended to incorporate the following:

1. The following Attachments are hereby added to this solicitation.

Attachment K - ROCIP V Total Reported Payrolls 9/25/12

Attachment L - ROCIP V GL Policy & Endt's

Attachment M - ROCIP V Security Agreement

Attachment N - ROCIP V Reimbursement Agreement

List of Attachments has been updated to reflect the new additions

2. The Pre-Proposal Conference is incorrectly listed on the Offer Sheet as:

PRE-PROPOSAL CONFERENCE TIME AND DATE: 10/15/2012 at 2:30pm

The correct date is:

PRE-PROPOSAL CONFERENCE TIME AND DATE: 11/15/2012 at 2:30pm

3. All other terms and conditions shall remain the same.

APPROVED BY: Signed copy available in Purchasing Office
Jeff Dilbert, (512) 974-2021
Purchasing Office, Finance and Administrative Services Department

ACKNOWLEDGED BY:

MARSH USA INC [Signature] 11/27/12
BIDDER AUTHORIZED SIGNATURE DATE

RETURN ONE (1) COPY TO PURCHASING OFFICE, CITY OF AUSTIN, PRIOR TO CLOSING DATE OR WITH YOUR PROPOSAL; FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR PROPOSAL.

City of Austin
Purchasing Office
Local Business Presence Identification Form

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE).

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN, SECTION 0900 OF THE SOLICITATION.

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	Marsh USA, Inc					
Physical Address	10900 Stonelake Blvd, Austin, TX 78759					
Is Firm located in the Corporate City Limits? (circle one)	<input checked="" type="radio"/> Yes			No		
In business at this location for past 5 yrs?	<input checked="" type="radio"/> Yes			No		
Location Type:	Headquarters	Yes	<input checked="" type="radio"/> No	Branch	<input checked="" type="radio"/> Yes	No

SUBCONTRACTOR(S):

Name of Local Firm						
Physical Address						
Is Firm located in the Corporate City Limits? (circle one)	Yes			No		
In business at this location for past 5 yrs?	Yes			No		
Location Type:	Headquarters	Yes	No	Branch	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm						
Physical Address						
Is Firm located in the Corporate City Limits? (circle one)	Yes			No		
In business at this location for past 5 yrs?	Yes			No		
Location Type:	Headquarters	Yes	No	Branch	Yes	No

City of Austin
Purchasing Office
Local Business Presence Identification Form

ACKNOWLEDGEMENT

THE STATE OF TEXAS
COUNTY OF TRAVIS

I certify that my responses and the information provided on **Form 0605** are true and correct to the best of my personal knowledge and belief and that I have made no willful misrepresentations in this Section, nor have I withheld any relevant information in my statements and answers to questions. I am aware that any information given by me in this Section may be investigated and I hereby give my full permission for any such investigation and I fully acknowledge that any misrepresentations or omissions in my responses and information may cause my offer to be rejected.

OFFEROR'S FULL NAME AND ENTITY STATUS:

MARSH USA INC

JOHN J. EGAN 
Signature, Authorized Representative of Offeror

SENIOR VICE PRESIDENT
Title

11/27/12
Date

END

**CITY OF AUSTIN
PURCHASING OFFICE
REFERENCE SHEET**

Please Complete and Return This Form with the Offer

Solicitation Number:

Offeror's Name

Date

The Offeror shall furnish, with the Offer, the following information, for at least recent customers to whom products and/or services have been provided that are similar to those required by this Solicitation.

To add additional references to this form, click the Add Reference Button. =====>

Add Reference

Company's Name	<input type="text" value="University of Texas"/>		
Name of Contact	<input type="text" value="Paul Pousson"/>	Contact Title	<input type="text" value="Associate Director - Office of Risk Management"/>
Present Address	<input type="text" value="220 West Seventh Street"/>		
City	<input type="text" value="Austin"/>	State	<input type="text" value="Texas"/> Zip Code <input type="text" value="78701"/>
Telephone Number	<input type="text" value="(512) 499-4653"/>	FAX Number	<input type="text" value="(512) 844-8087"/>
Email Address	<input type="text" value="ppousson@utsystem.edu"/>		

City of Austin, Texas
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION

SOLICITATION NO JSD0130

City of Austin, Texas
Human Rights Commission

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B) (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination in Employment Policy:**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, **OR THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.**

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Term:

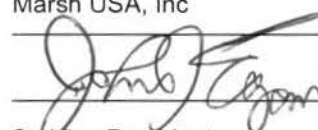
The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 27th day of November, 20 12.

CONTRACTOR

Marsh USA, Inc

Authorized Signature



Title

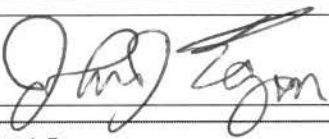
Sr. Vice President

City of Austin, Texas
NON-SUSPENSION OR DEBARMENT CERTIFICATION

SOLICITATION NO. JSD0130

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

Contractor's Name:	<div style="border: 1px solid black; padding: 2px;">Marsh USA, Inc</div>		
Signature of Officer or Authorized Representative:		Date:	<div style="border: 1px solid black; padding: 2px;">Nov 27, 2012</div>
Printed Name:	<div style="border: 1px solid black; padding: 2px;">John J. Egan</div>		
Title:	<div style="border: 1px solid black; padding: 2px;">Sr. Vice President</div>		

CITY OF AUSTIN
NON-COLLUSION,
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING AFFIDAVIT
SOLICITATION NO. JSD0130
FOR

ROCIP VI Administrator

State of Texas

County of Travis

The undersigned "Affiant" is a duly authorized representative of the Offeror for the purpose of making this Affidavit, and, after being first duly sworn, has deposed and stated and hereby deposes and states, to the best of his or her personal knowledge and belief as follows:

The term "Offeror", as used herein, includes the individual or business entity submitting the Offer and for the purpose of this Affidavit includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and anyone or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

1. **Anti-Collusion Statement.** The Offeror has not in any way directly or indirectly:
 - a. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
 - b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.
2. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
3. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract hereunder, no individual, agent, representative, consultant, subcontractor, or subconsultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
4. **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.
5. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.
6. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:
 - a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;

**CITY OF AUSTIN
NON-COLLUSION,
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING AFFIDAVIT**

- b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that OWNER is considering doing business with the Offeror.
- c. as required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:

<http://www.austintexas.gov/departments/conflict-interest-questionnaire>

There are statutory penalties for failure to comply with Chapter 176.

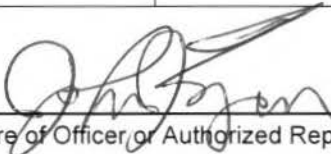
If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation in the space provided below or, as necessary, on separate pages to be annexed hereto.

Offeror's
Explanation:

--

7. **Anti-Lobbying Ordinance.** As set forth in the Solicitation Instructions, Section 0200, paragraph 7N, between the date that the Solicitation was issued and the date of full execution of the Contract, Offeror has not made and will not make a representation to a City official or to a City employee, other than the Authorized Contact Person for the Solicitation, except as permitted by the Ordinance.

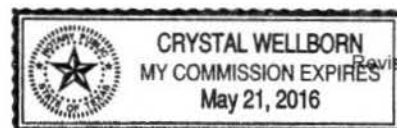
Contractor's Name:	Marsh USA, Inc
Printed Name:	John J. Egan
Title:	Sr. Vice President


Signature of Officer or Authorized Representative:

Subscribed and sworn to before me this 27 day of November, 2012.


Notary Public

My Commission Expires May 21, 2016



CITY OF AUSTIN, TEXAS
LIVING WAGES AND BENEFITS CONTRACTOR CERTIFICATION
(Please duplicate as needed)

SOLICITATION NO. JSD0130

Pursuant to the Living Wages and Benefits provision (reference Section 0400, Supplemental Purchase Provisions) the Contractor is required to pay to all employees directly assigned to this City contract a minimum Living Wage equal to or greater than \$11.00 per hour.

I hereby certify under penalty of perjury that all of the below listed employees of the Contractor who are directly assigned to this contract:


- (1) are compensated at wage rates equal to or greater than \$11.00 per hour; and
- (2) are offered a health care plan with optional family coverage.

(To add additional employees to this page, click the Add Button.)

	Employee Name	Employee Job Title
Add		
Delete		

- (3) all future employees assigned to this Contract will be paid a minimum Living Wage equal to or greater than \$11.00 per hour and offered a health care plan with optional family coverage.
- (4) Our firm will not retaliate against any employee claiming non-compliance with the Living Wage provision.

A Contractor who violates this Living Wage provision shall pay each employee affected the amount of the deficiency for each day the violation continues. Willful or repeated violations of the provision may result in termination of this Contract for Cause and subject the firm to possible suspension or debarment.


Contractor's Name:	Marsh USA, Inc		
Signature of Officer or Authorized Representative:		Date:	Nov 27, 2012
Printed Name:	John J. Egan		
Title:	Sr. Vice President		

City of Austin, Texas
NONRESIDENT BIDDER PROVISIONS
SOLICITATION NO. JSD0130

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "Non-resident Bidder"?

- ☒ Texas Resident Bidder - A Bidder whose principal place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
- ☐ Non-resident Bidder

Bidder's Name:	<div style="border: 1px solid black; padding: 2px;">Marsh USA, Inc</div>		
Signature of Officer or Authorized Representative:		Date:	<div style="border: 1px solid black; padding: 2px;">Nov 27, 2012</div>
Printed Name:	<div style="border: 1px solid black; padding: 2px;">John J. Egan</div>		
Title:	<div style="border: 1px solid black; padding: 2px;">Sr. Vice President</div>		

City of Austin Performance Matrix

MINIMUM REQUIREMENTS FOR ADMINISTRATOR SERVICES

1. Design, Marketing and Implementation of Insurance Program

- a) Analyze project hazards and recommend appropriate level of risk retention and transfer and design an insurance program that protects the City from loss.
- b) Develop the underwriting submission/"scope of work section" for presentation and submit package to insurance carriers who can provide the coverage and program desired.
- c) Provide a thorough written analysis and evaluation of quotations from insurance carriers, including the electronic and sorting capabilities of their claims data system.
- d) Create a selection criteria matrix and coordinate the carrier selection and interview process.
- e) Facilitate negotiations with selected insurance carrier.
- f) Bind coverage and maintain insurance policies and coverage without lapses.
- g) Review policies to verify conformance with specifications; request, implement and monitor all required coverage changes; participate in the negotiation of policy renewals, premium pay-ins, audit returns, reconciliations of all monies, and buy-out provisions.
- h) Develop a notification letter to contractors notifying them of any property damage claims that may result in up to \$5,000 being withheld from their City construction contract for the contractor's general liability property damage deductible as outlined in the construction contract.
- i) Review City construction contract documents and provide analysis and recommendations with regard to changes in authority, wording, and forms. This document can be viewed on line at www.ci.austin.tx.us/aeservices/toc.htm (Standard Construction Documents. The insurance requirements are found in Section 00810).
- j) Ensure all endorsements and coverage forms are correctly indicated in the City contract documents and other applicable forms and manuals where appropriate.
- k) Coordinate adjustments and negotiations for close out of ROCIP VI program.

2. Policyholder Services Provided By the Administrator

- a) Be available during regular business hours to answer phone calls and field questions; coordinate ongoing insurer services between all parties, including but not limited to:
 - Providing assistance to contractor inquiries regarding elimination of insurance costs from bids,
 - Providing enrollment support to contractors who need assistance at time of award, and
 - Handling of all claims
- b) Aid in the coordination of all data gathering functions and processes between all parties by attending meetings as required and documenting final decisions.
- c) Communicate with and secure all data required for tracking purposes by following processes and procedures agreed to by all parties.
- d) Develop detailed Procedures Manuals for the Project Managers and the Contractors with written procedures and flowcharts for all functions and activities.
- e) Issue insurance binders, certificates, and policies to all contractors.
- f) Secure and maintain evidence of auto liability and other insurance (such as builders risk) required by the contract from all non-enrolled and enrolled contractors working on ROCIP projects. This evidence of coverage once collected shall be forwarded to City Contract Management.
- g) Secure and track WC and GL insurance coverage information for all enrolled contractors. Contractors are not required by the City to carry off-site insurance coverage.
- h) Give ROCIP presentation at all pre-bid and pre-construction meetings.
- i) Organize program status meetings every month during initial and peak program phases, and as required during program phase-out and provide meeting minutes to City within two (2) weeks.
- j) Provide a monthly status report, which includes detailed information concerning Contractor, Administration and Claims.
- k) Set up, coordinate and manage Insurer audit procedures and time lines, and collect and report payroll data from all enrolled contractors on a monthly basis.
- l) Verify the accuracy of any bills, audits, and other premium adjustments.
- m) Provide presentations and written information to Associated General Contractors and other professional organizations, Project Managers,

Inspectors and other professionals to disseminate general information about the program.

- n) Notify all enrolled contractors and project managers when ROCIP coverage no longer exists.
- o) Coordinate a quarterly working lunch or other workshop for enrolled contractors in order to provide additional information related to the construction industry and ROCIP VI claims activity. Attendance has been approximately 15 people. Expenses have been borne by the broker.

3. Claims Management

The City expects the Administrator to pro-actively manage the losses experienced under ROCIP VI. This includes close oversight of reserve handling procedures of the carrier and frequent communication with the adjusters during the claims handling process.

- a) Coordinate claims handling activities and processes between the carrier, City personnel, and the Administrator. Unbundling is not proposed; there are serious claims management concerns due to the number of different projects and poor claims reporting habits of the contractors. Administrator shall be required to assist in the management of claims reporting.
- b) Facilitate education and training of the contractors regarding claims reporting procedures.
- c) Provide on site claims services, when necessary, by interviewing witnesses and facilitating coordination of information required by the carrier.
- d) Monitor claims activity and provide this information in the form of a status report for the monthly meetings.
- e) Provide recommendations for medical cost containment and other methods for reducing claims costs; perform analysis of reserves and negotiate claims issues with the carrier. Coordinate quarterly claim review meetings between City and carrier.
- f) Assist City with all necessary support for the management of the contractors general liability insurance property damage deductible.
- g) Provide additional safety site inspection services, if requested, during peak enrollment periods of the program.

4. Risk Management Information System (RMIS)

The Administrator is responsible for providing a risk management information system (RMIS) that is fully capable of reporting all relevant information necessary for the successful management of the program and completion of the reports as indicated in **Attachments C & D** of this RFP.

5. Reports & Records

The City of Austin is tracking the performance of the ROCIP as a city program. The selected Administrator must have the capability to capture and provide essential data used to evaluate the success of the program. The Monthly Report, Net Cost Savings Calculation and Open Market Premium spreadsheets, as indicated below, contain information that is used as formal documentation for the results measure reported to the Budget Office.

- a) Monthly report to be provided at the monthly service meeting. This report shall at a minimum include:
 - Number of projects enrolled in the program, percentage complete for each project, number of completed projects, number of active projects.
 - Number of contractors enrolled in the program; number of enrolled contractors with no off site insurance, percentage of contractors identified as minority contractors by ethnic group (African American, Asian American, Hispanic, Native American, Women owned).
 - Claims summary to include all claims. This spreadsheet highlights all new claims, provides a breakdown between GL and WC claims, identifies project, GC, contractor and claimant, DOL and description of loss. Sorting capability is critical.
 - Premium recap providing projected values and payroll; completed project values, completed project payroll, losses for completed projects, losses to date for all projects
- b) The Net Cost Savings Calculation Spreadsheet (**Attachment C**) is to be provided monthly. This spreadsheet contains data on completed projects only.
- c) The Open Market Premium Calculation Spreadsheet (**Attachment D**) is to be provided monthly as backup for the Net Cost Savings Calculation. This spreadsheet contains the specific rate and payroll information for every contractor of every tier.
- d) Subcontractor Report, due the 10th of each month. This report is for the verification of the small & minority contractor participation for the Administrators contract, if applicable.
- e) Weekly enrollment report is to be provided to all project managers, Construction Safety Manager and others. This report is to help ensure all contractors providing construction services on site are enrolled in the ROCIP program.
- f) Prepare Annual Reports and a Final Report for the City's Risk Manager. Reports are to be Executive Reports and are due annually.
- g) Make all contractor files available to the City for audit purposes.

Administrator shall be responsible for storing and maintaining all paper records and documents associated with the ROCIP program for a period of five (5) years after the completion of the last construction project. The Administrator shall also back-up all data contained on any proprietary database and make these records available to the Owner upon contract completion.

Additional reports may be requested as deemed necessary by the City. All program information will be available upon request.

Legislation mandates municipalities comply with the Records Retention Act. The Administrator will assist the City by maintaining records as outlined above.

6. Special Provisions

Commit that the named principal and other key personnel responsible for the project will not be removed by the Administrator from the account without prior approval of the City. Replacement of key personnel is subject to approval by the City's Risk Manager.

If selected to provide services, work performed in the marketing of the insurance shall be conducted without charge to the City if the City determines that the insurance quotations or provisions received through the marketing process are not viable.

Provide appropriate broker services until the insurance program provided by the carrier to the City is considered closed and final by the carrier, the City, and the Administrator.

Administrator shall be asked to perform as an agent of the City including issues related to confidentiality.

A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities is required.

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
NO GOALS FORM**

SOLICITATION NUMBER: JSD0130
PROJECT NAME: ROCIP VI Administrator

The City of Austin has determined that no goals are appropriate for this project. Even though no goals have been established for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?

No X If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope.
Yes _____ If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, subconsultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though no goals have been established, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.

MARSH USA, INC.

Company Name

JOHN EGAN, SENIOR VICE PRESIDENT

Name and Title of Authorized Representative (Print or Type)

John Egan

Signature

11/27/12

Date



Amendment No. 1
to
Contract No. MA 5800 PA 130000057
between
Marsh USA, Inc. and the
City of Austin
for
Administrative and Insurance Procurement Services
associated with the
Rolling Owner Controlled Insurance Program (ROCIP VI)

- 1.0 In accordance with Section 7.16, Modifications of the Contract, City and Marsh USA, Inc. (hereinafter "Contractor") agree to amend to execute a zero cost (\$0.00) amendment adding provision(s) acknowledging that the City will make insurance premium and loss payments directly to the selected insurance carrier, Liberty Mutual Insurance Group.
- 2.0 Delete Paragraph 3.1 of the Contract and replacing the current text in its entirety as follows:
- The Contractor will be paid a total-not-exceed amount of \$1,580,000 for the Contract Term (\$875,000 as compensation to Contractor for administrative services, and \$705,000 Excess Liability). Payment of Contractor's compensation shall be made upon successful completion of services and submission of proper invoices to the Risk Management Department of City.
- 3.0 Add the following as Section 3.1.1 to the Contract
- It is acknowledged that an amount of \$5,750,000 shall be payable by the City directly to Liberty Mutual Insurance Group for insurance premiums and loss payments to policies supporting ROCIP VI.
- 4.0 All other terms and conditions of the contract remain in full force and effect.

BY THE SIGNATURES affixed below, Amendment No. 1 is hereby incorporated into and made a part of the above-referenced contract.

Signature: *Denise Lucas*
Printed Name: Denise Lucas
Authorized Representative
City of Austin
Purchasing Office

8/23/2013
Date

Signature: *John J. Egan*
Printed Name: JOHN J. EGAN
Authorized Representative
Marsh USA, Inc.
4400 Comerica Bank Tower,
1717 Main Street
Dallas, Texas 75201

8/23/13
Date

Clarification Questions for John L. Wortham (RESPONSES IN RED)

1. Your firm's cost proposal on page 35 in Section 6 of your proposal indicates a 'Not To Exceed' Fixed Fee for \$450 Million in construction. Verify that this is correct as the construction values in the table on page 35 add up to \$414 Million.

Our "Not to Exceed" fee is good through \$450mm in construction values as this is the amount listed in your Question #4.1 "Provide the most accurate quote....." on page 27 of the proposal.

The \$414mm amount is derived from your attachment B that outlines the estimated project schedule (As an aside, Attachment B incorrectly shows a total of \$472mm). The purpose of the table is merely to show the estimated Administration costs annually, based on \$1,508/\$mm CV

2. Does the 'Not to Exceed' Fixed Fee cost quoted in your proposal on page 35 include any charges for site safety inspections? If these charges are included in your fee, as per addendum #2 question e, please provide the cost of the safety inspections services separately.

Our "Not to Exceed" fixed fee includes supplemental safety inspections by our ROCIP Manager, Neil Haverlah. Neil is a CSP and as part of his normal management site visits, will supplement the efforts of the Insurance Carrier as well as the City's Safety Construction Manager.

Neil will also be available to make specific safety site visits as warranted by high volume times and directed by the Safety Construction Manager.

Because Neil is the ROCIP Manager, he will be spending 60-75% of his work year with ROCIP VI. Therefore, he is available when the Construction Safety Manager warrants a need. As a result, we do not have a breakout of safety cost because Neil will be on-site anyway and a separate charge would be double dipping.

3. In the Appendix to your Proposal, page 5, under **Risk Retention Level**, this sentence is shown: "This Credit along with Wortham's Loss sensitive Fee Structure will greatly enhance ROCIP VI's opportunity for savings." Please clarify the meaning of this sentence.

This was a misstatement left over from a previous ROCIP Response. That sentence should be stricken from the response on page A3 & A5, as follows:

Risk Retention Level – \$250,000 Each and Every Loss (clash with WC) – This should equate to approximately 65% Premium Credit. ~~This Credit along with Wortham's Loss sensitive Fee Structure will greatly enhance ROCIP VI's opportunity for savings.~~

4. The following questions relate to the ROCIP VI Cost Model contained in your proposal appendix on page 1:

The model indicates an Avg. Contractors WC Rate of \$22.59. Please verify that this rate reflects the accurate planned Traditional Contractors rate proposed for ROCIP VI when approaching the marketplace.

The \$22.59 figure was picked up by mistake in our model. A more accurate number is \$16.31 which is reflected in the revised model below.

ROCIP VI PROJECTED COST AND SAVINGS

All projects start in 4 years and completed by 5th

Variables

Construction Value	\$450,000,000
Incurred Loss Deductible Program	\$250,000
Payroll % of Construction Costs	15.50%
Avg. Contractors WC Rate	\$16.31
Contractors Experience Modifier	1
Contractor Mark-up	10%
Minimum Earned Premium %	70%
Safety Contractor Costs	\$0
Internal Administration Costs	\$0
ROCIP Administrator Fee	\$625,000
ROCIP Carrier Market Change 1/1/13	0%
Aggregated Minimum	70%
Aggregate Rate	\$8.00
Loss Conversion Factor	\$1.08
Products/Completed Ops Extension Period	5 Years

Policy Limits

WC/EL - \$1m/\$1m/\$1m
 Primary GL - \$2m/\$4m
 H&NO Auto - \$1m
 Excess Liability - \$23mm

Minimum Program Costs \$ 2,578,048

Min Earned Premium

Maximum Program Costs \$ 9,887,925

Prem + Max Aggregate + Admin

\$48mm Excess Liability Option Add: \$139,500
 Minimum and Maximum Cost above

10 Year Extended Reporting Add: \$191,813
 Minimum and Maximum Cost above

PREMIUM CALCULATIONS

Contractors Total Insurance Charge to Projects * \$ 12,513,848

ROCIP VI Projected Premium* \$ 3,682,925

Projected Premium Savings \$ 8,830,923

* Data to support the "Contractors Insurance Charge to Projects" and "ROCIP VI Projected Premium" is on the following page

SAVINGS PROJECTIONS

	ROCIP IV Incurred	Wortham Projection	Max Aggregate		
Claim Level (Within the City's Retention)	9%	15%	\$ 3,000,000	\$ 5,000,000	\$ 5,580,000
Projected Premium Savings	\$ 8,830,923	\$ 8,830,923	\$ 8,830,923	\$ 8,830,923	\$ 8,830,923
Less: Claims Paid w/i Retention	\$ 1,023,860	\$ 1,706,434	\$ 3,000,000	\$ 5,000,000	\$ 5,580,000
Less: Wortham Admin Fee	\$ 625,000	\$ 625,000	\$ 625,000	\$ 625,000	\$ 625,000
Equals: Projected Savings	\$ 7,182,062	\$ 6,499,489	\$ 5,205,922	\$ 3,205,922	\$ 2,625,922
Less: Safety Contractor Costs	\$0	\$0	\$0	\$0	\$0
Less: Internal Admin Costs	\$0	\$0	\$0	\$0	\$0
Equals: Projected Savings	\$ 7,182,062	\$ 6,499,489	\$ 5,205,922	\$ 3,205,922	\$ 2,625,922
Savings as a % of Construction Value	1.60%	1.44%	1.16%	0.71%	0.58%

*Wortham Projection based on loss ratio of ROCIP IV & Projected Contractors Premium (i.e. 15% x Contractors Premium)

Clarification Questions for Marsh:

1. Does the 'Not to Exceed' Fixed Fee cost quoted in your proposal on page 28 include any charges for site safety inspections? If these charges are included in your fee, as per addendum #2 question e, please provide the cost of the safety inspections services separately.

No. Charges for site safety inspections are not included in our fixed fee. As indicated on page 29 of the RFP response, site safety inspection services would be billed at a rate of \$85 per hour. These would be in addition to our fixed fee.

2. Please verify that your 'Not to Exceed' Fixed Fee cost quoted in your proposal on page 28 is based on Construction values of \$472 Million.

Yes. Our "Not to Exceed" Fixed Fee on page 28 is based on construction values of \$472 million.

3. Your Not to Exceed cost provides an adjustment rate of .20 per \$100 of additional Construction Value. Will the same rate be applied for a reduction in construction values?

The same rate would not be applied to a reduction in construction values. It is our intent that the annual fees are minimum fees. However we are open to negotiation of a reasonable adjustment factor if the values are less than \$375 million (80% of projected amount), and/or the number of projects is less than 60.

4. The following questions relate to your ROCIP VI Cost Model contained in your proposal on page 22:

- A. Verify that the contractors Average WC Rate used in your Pro-Forma is \$9.68. Verify that this figure represents the average rate for traditional worker's compensation and general liability insurance coverage your firm is projecting for contractors working on projects without a ROCIP in place. Does this rate include any excess liability insurance coverage/premium rate charge?

The \$9.68 rate in the proforma is for expected contractor avoided insurance cost. This is based on WC filed rate in the state of Texas and expected GL rates for the type of work and contract/project size forecasted for ROCIP VI if the contractors provided that coverage without a ROCIP in place. The rate includes a 15% mark up for overhead and profit but does not include any excess liability rate charge.

- B. Page 20 of your Proposal lists an average Contractors Workers Compensation rate of approximately \$3.84. Please clarify what this rate represents. Does this rate include any excess liability insurance coverage?

The \$3.84 average WC rate is calculated by allocating projected payroll for ROCIP VI by WC class code based on the forecasted projects to be completed less a 15% credit for an

estimated average contractor experience modifier plus a 15% mark up for profit and overhead. This rate does not include any excess liability insurance coverage.

- C. Clarify if your ROCIP VI Pro Forma Premium costs on page 22 include Terrorism coverage.

The minimum and maximum program costs on page 22 do not include TRIA (Terrorism) charges.

- D. Clarify if your ROCIP VI Pro Forma costs on page 22 include a 10 year products/co ops extension period.

The costs on page 22 do include the charge for a 10 year products/co ops extension period.

Clarification Questions for Aon
Aon 1/16/13 Response

1. Does the 'Not to Exceed' Fixed Fee cost quoted in your proposal on page 35 include any charges for site safety inspections? If these charges are included in your fee, as per addendum #2 question e, please provide the cost of the safety inspections services separately.

Yes, per request, our 'Not to Exceed' Fixed Fee cost quoted in our proposal includes a projected fee for site safety inspections. The charges associated with this scope of service was estimated at \$168,000. With the removal of these costs, our proposed fee is \$1,702,955.

2. Your proposal contemplates the use of a National Service Center, is the use of this center an Aon requirement for ROCIP VI?

No, the use of Aon's National Service Center is not an Aon Requirement for ROCIP VI; however utilization of our National Service Center is a much more cost effective approach for The City of Austin. Placing the preponderance of the day-to-day administrative requirements of ROCIP VI in our highly experienced service center allows ROCIP VI participating subcontractors access to assistance 24/7. This model not only provides a highly cost competitive solution for the City, but allows our senior professionals to focus their time to the more detailed management of your program allowing increased interaction with your Prime Contractors and with the City's designated ROCIP VI leadership. Should the City elect to transfer the work of the service center back to the Aon field office personal, a proposed fee modification would be required to accommodate the increase cost of direct personnel. It is anticipated our fee would increase by \$297,856 to \$2,000,811 (not including site safety).

ROCIP VI ADMINISTRATOR
REQUEST FOR PROPOSAL - JSD0130

	Wortham	Marsh	AON
	Houston, TX	Dallas, TX	Dallas, TX
1) Administrator Background, Experience, and Services The firm's background and experience associated with the administration of large Owner Controlled Insurance Programs; the firm's ability to manage these types of programs effectively; availability to large insurance markets specializing in these programs, and the experience of the personnel assigned to our program. Maximum 20 points	15	15	18
2) ROCIP/OCIP Conceptual Strategy for Premium and Coverage Provisions The firm's ability to provide a financially sound conceptual strategy for the City's program that provides the most competitive premium, coverage provisions and loss arrangements that protect the City's funds. Maximum 30 Points	17	27	24
3) Cost Reasonable costs for services requested in the Scope of Work. Lowest cost proposal receives maximum points; percentage rations formula for remaining proposals. Maximum 25 Points	25	17	10
4) MIS System/Procedures/Reports The firm's automated data collection capabilities, ability to track and extract pertinent data associated with the program, report generating capabilities, and experience producing annual reports associated with the program. Maximum 15 points	12	13	14
5) Local Business Presence Maximum 10 points	10	10	10
SUB-TOTAL	79	82	76
Interviews, Optional. Interviews may be conducted at the discretion of the City which may include a site visit, tour of proposed facilities. Maximum 25 points			
TOTAL POINTS			



TO: Veronica Lara, Director
Department of Small and Minority Business Resources

FROM: Jeff Dilbert, Buyer II, Purchasing Office
DATE: 12/4/2012

SUBJECT: Approval to use Zero Goals for Solicitation No. MSO0014A (re-solicitation)
Project Name: ROCIP VI
Commodity Code(s): 91869
Estimated Value: \$1,800,000

The Purchasing Office has determined that the following Goals are appropriate for this non-professional services purchase:

☒ No Goals (Goal of 0%)

This determination is based on the following reasons:

This solicitation will be bid by and awarded to a prime contractor. No subcontracting opportunities have been identified.

Per paragraph 8.2.1 of the Rules Governing the Minority and Women Owned Business Enterprise Procurement Program, please approve the use of the above goals by completing and returning the below endorsement. If you have questions, please call me at 974-2995.

☒ Approval is hereby granted to use the above Goals.

☐ Approval is hereby denied. Recommend the use of the following goals based on the below reasons:

a. Goals: _____ % MBE _____ % WBE

b. Subgoals _____ % African American _____ % Hispanic

_____ % Native/Asian American _____ % WBE

This determination is based on the following reasons:

One scope identified so there are no subcontracting opportunities.


Veronica Lara, Director

Date: 12-14-12

CITY OF AUSTIN, TEXAS

Purchasing Office REQUEST FOR PROPOSAL (RFP) Offer Sheet

SOLICITATION NO: JSD0130

COMMODITY/SERVICE DESCRIPTION: ROCIP VI Administrator

DATE ISSUED: 10/29/2012

REQUISITION NO.: RQM 5800 12102400045

PRE-PROPOSAL CONFERENCE TIME AND DATE: 10/15/2012 at 2:30pm

COMMODITY CODE: 91869

LOCATION: HR Main Conference Room, One Texas Center, 505 Barton Springs Road, STE 600

FOR CONTRACTUAL AND TECHNICAL ISSUES CONTACT:

PROPOSAL DUE PRIOR TO: 11/29/2012 at 2:00pm

Jeff Dilbert
Corporate Purchasing Manager
Phone: (512) 974-2021

COMPLIANCE PLAN DUE PRIOR TO: N/A

PROPOSAL CLOSING TIME AND DATE: 11/29/2012 at 2:00pm

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 310, AUSTIN, TEXAS 78701

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below.

P.O. Address for US Mail	Street Address for Hand Delivery or Courier Service
City of Austin	City of Austin, Purchasing Office
Purchasing Office	Municipal Building
P.O. Box 1088	124 W 8 th Street, Rm 310
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 5 SIGNED COPIES OF OFFER

OFFER SUBMITTED BY

By the signature below, I certify that I have submitted a binding offer.

Signature of Person Authorized to Sign Offer

Signer's Name and Title: (please print or type)

FEDERAL TAX ID NO. _____

Date: _____

Company Name: _____

Address: _____

City, State, Zip Code _____

Phone No. ()

Fax No. ()

Email Address: _____

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All other Sections may be viewed at: http://www.austintexas.gov/financeonline/vendor_connection/index.cfm

RETURN THE FOLLOWING DOCUMENTS WITH YOUR OFFER**

- Cover Page Offer Sheet
- Section 0600 Proposal
- Section 0605 Local Business Presence Identification Form
- Section 0700 Reference Sheet (if required)
- Sections 0800 - 0835 Certifications and Affidavits (return all applicable Sections)
- Section 0900 MBE/WBE Procurement Program Package or No Goals Utilization Plan
- Bid Guaranty (if required)

**** See also Section 0200, Solicitation Instructions, Section 0400, Supplemental Purchase Provisions, and Section 0500, Scope of Work/Specification, for additional documents that must be submitted with the Offer.**

The Vendor agrees, if this Offer is accepted within 90 calendar days after the Due Date, to fully comply in strict accordance with the Solicitation, specifications and provisions attached thereto for the amounts shown on the accompanying Offer.

*** INCORPORATION OF DOCUMENTS.** Section 0100, Standard Purchase Definitions; Section 0200, Standard Solicitation Instructions; and Section 0300, Standard Purchase Terms and Conditions are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS.

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office at the address or phone number indicated on page 1 of this Offer Sheet. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

It is the policy of the City of Austin to involve certified Minority Owned Business Enterprises (MBEs) and Woman Owned Business Enterprises (WBEs) in City contracting. MBE and WBE goals for this Solicitation are contained in Section 0900.

All Contractors and Subcontractors should be registered to do business with the City prior to submitting a response to a City Solicitation. In the case of Joint Ventures, each individual business in the joint venture should be registered with the City prior to submitting a response to a City solicitation. If the Joint Venture is awarded a contract, the Joint Venture must register to do business with the City. Prime Contractors are responsible for ensuring that their Subcontractors are registered. Registration can be done through the City's on-line vendor registration system. Log onto http://www.austintexas.gov/financeonline/vendor_connection/index.cfm and follow the directions.

CITY OF AUSTIN
PURCHASING OFFICE
SCOPE OF WORK (RFP)
SOLICITATION NUMBER:

Administrator for Rolling Owner Controlled Insurance Program

SCOPE OF WORK

1. PURPOSE

The City of Austin, hereinafter referred to as the City, seeks proposals in response to this Request for Proposal (RFP) from an agent/broker (Administrator) for a Rolling Owner Controlled Insurance Program. The agent/broker (Administrator) will assist the City by providing consultation, implementation, and administration of a Rolling Owner Controlled Insurance Program (ROCIP VI) for certain City of Austin Capital Improvement Projects (CIP). One broker will be selected to provide the services, including marketing the insurance, as outlined in this Request for Proposal (RFP).

The ROCIP shall serve three distinct purposes for the City:

1. Generate savings from reduced insurance premiums
2. Remove the insurance barrier for small and minority contractors
3. Promote safety for all contractors working on City ROCIP construction projects

2. BACKGROUND

Over the past 22 years The City has issued numerous solicitations for insurance administration, bonding and technical assistance, marketing and outreach, and safety services for several Owner Controlled and Rolling Owner Controlled Insurance Programs. An outline of these programs has been provided below:

Convention Center OCIP (1990-1993)

Agent: Hobbs Group

Carrier: St. Paul

Rating Basis: Payroll

\$42 Million construction project with services requested in 1 solicitation:

1. Outreach, Bonding and Technical Assistance, and Administration and Safety

ROCIP I (1992 – 1996)

Broker: Hobbs Group

Carrier: St. Paul

Rating Basis: Payroll

\$47 Million in construction values; \$9 Million in payroll; this program was comprised of 41 construction projects with services requested in 3 separate solicitations:

1. Marketing and Outreach
2. Bonding and Technical Assistance
3. Administration and Safety

Austin-Bergstrom International Airport OCIP (1994 – 1998)

Broker: Marsh Mac

Carrier: St. Paul

Rating Basis: Payroll

\$392 Million construction project with services requested in 4 separate solicitations:

1. Marketing and Outreach
2. Bonding and Technical Assistance
3. Administration and Safety
4. Construction Management and Safety

ROCIP II (1997 – 2001)

Broker: Hobbs Group/HRH

Carrier: St. Paul

Rating Basis: Payroll

\$235 Million in construction values; estimated \$41 Million in payroll; this program was comprised of 90 projects with services requested under 1 solicitation

1. Administration and Safety

All CIP projects meeting defined parameters were included in the program:

- ✓ Construction projects valued at \$300,000 or more
- ✓ Labor Intensive
- ✓ Site specific
- ✓ Construction start and end dates between November 1, 1997 and November 1, 2001
- Construction projects with these characteristics were not included in the program:
Hazardous waste abatement or remediation

ROCIP III (2001-2007)

Safety Management Contract: Safety Solutions

Broker: Wortham Insurance Agency

Carrier: Zurich

Rating Basis: Payroll

\$201 Million in construction values; estimated \$45 million in payroll; this program was comprised of 20 projects with services requested under 2 solicitations.

1. Administration
2. Construction Safety Management

All CIP projects meeting defined parameters were included in the program:

- ✓ Construction projects valued at \$2,000,000 or more
- ✓ Labor Intensive
- ✓ Site specific
- ✓ Construction start date after June 1, 2002
- ✓ Project final acceptance date before June 1, 2006
- Construction projects with these characteristics were not included in the program:
 - Hazardous waste abatement or remediation
 - Electric utility substations
 - Sidewalk or street overlay as primary scope of work

CITY OF AUSTIN
PURCHASING OFFICE
SCOPE OF WORK (RFP)
SOLICITATION NUMBER:

ROCIP IV (2006-2010)

Safety Management Contract: Safety Solutions

Broker: Wortham Insurance Agency

Carrier: Zurich

Limits: GL - \$2M per occurrence/\$4M agg; Excess \$8M

Rating Basis: Payroll

\$250 Million in construction values; estimated \$58 Million in payroll; this program was comprised of 45 projects with services requested under 2 solicitations.

1. Administration
2. Construction Safety Management

All CIP projects meeting defined parameters were included in the program:

- ✓ Construction projects valued at \$2,000,000 or more
- ✓ Labor Intensive
- ✓ Site specific
- ✓ Construction start date after March 1, 2006
- ✓ Project final acceptance date before November 1, 2010
- Construction projects with these characteristics were NOT included in the program:
 - Hazardous waste abatement or remediation
 - Electric utility substations
 - Sidewalk or street overlay as primary scope of work

ROCIP V (2010-2015)

Limits: GL \$2M each occurrence/\$4M agg; Excess \$100M

Safety Management Contract: Safety Solutions

Broker: Aon

Carrier: Liberty Mutual

Rating Basis: Construction Value

Estimated \$750 Million in construction values; estimated \$120 Million in payroll; Currently there are approximately 42 projects totaling \$256 million in construction values, and a separate construction project for Water Treatment Plant #4 at a value of approximately \$359 million with a Grand Total of \$615 million in construction values. The services were requested in 2 solicitations:

1. Administration
2. Construction Safety Management

All CIP projects meeting defined parameters were included in the program:

- ✓ Construction projects valued at \$2,000,000 or more
- ✓ Labor Intensive
- ✓ Site specific
- ✓ Construction start date after February 22, 2010
- ✓ Project final acceptance date before February 22, 2015
- Construction projects with these characteristics were NOT included in the program:
 - Hazardous waste abatement or remediation
 - Electric utility substations
 - Sidewalk or street overlay as primary scope of work

3. CURRENT STATUS OF ROCIP VI PROGRAM

The City plans to implement phase VI of a ROCIP program by May 1, 2013. The ROCIP VI program will be implemented **before** ROCIP V has expired.

A thorough review of **Attachment A** will provide details about the projects included in the current ROCIP V program. It offers some general information with regard to the size and types of projects commonly found in the City CIP construction budget.

4. ROCIP VI PROGRAM INFORMATION

One of the City's primary goals in proceeding with this type of program is to generate savings. If this goal cannot be achieved, the program will not be implemented. Several variables can impact overall net cost savings such as insufficient broker or carrier interest, inadequate construction values, lack of voter authorization for the issuance and sale of bonds, and internal and consultant operating costs. If the City determines that savings are insufficient to warrant a viable program, then the City shall exercise its right to cancel this proposal.

The City has decided to procure Construction Safety Management services separately from the ROCIP administrative services in order to promote competition for the services and to assure better control over the delivery of the components of the ROCIP program. The services provided afford more than just safety site inspection services. We identified a need for actual safety management responsibilities related to safety. In most OCIP programs where safety is successful a firm is hired (subcontracted) to provide those services. This structure allows the City to deal directly with the safety firm.

It is anticipated that both the Construction Safety Management services selection process and the Administrator services selection process will be completed by Mid-March 2013. The Administrator is responsible for estimating insurance costs for the program to be included as a part of this RFP. It is our goal to have the insurance coverage bound by May 1, 2013.

Project Information/Parameters

The City has conducted an analysis of construction projects anticipated over the next five years. Refer to **Attachment B** for a list of future anticipated projects identified as ROCIP VI candidates. This list is not all inclusive but will provide (basic) project foundation information for the new program. The schedule of projects is subject to change; whether a project moves forward into construction or not depends upon many factors; i.e. obtaining access to easements, market capacity, bonding approvals, costs of materials, etc. It is likely that some of these projects will not be included in the program but others not shown will be added.

The parameters for projects to be included in ROCIP VI are as follows:

- Construction projects valued at \$2,000,000 or more
- Labor Intensive
- Site specific
- Construction start date after May 1, 2013
- Project final acceptance date before May 1, 2018
- Construction projects with these characteristics will NOT be included in the program:
 - Hazardous waste abatement or remediation
 - Electric utility substations
 - Sidewalk or street overlay as primary scope of work

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5. INTRODUCTION

Coverage to be provided by the ROCIP includes general liability (GL), workers' compensation and employers' liability (WC), and excess liability. Coverage should be broad and the City's ability to participate in the selection of coverages, limits, deductibles and conditions is mandatory. The City will entertain incurred loss and paid loss program options.

The City requests an estimate of the insurance cost for the program(s) without contact or negotiation with the carriers.

- The City does not have nor does it plan on implementing any drug testing program for contractors.
- The City does not nor does it plan on requiring contractors to implement a return to work program.
- Due to the potential number and types of projects the City will not include builders risk insurance in this solicitation.

Services are expected to commence immediately upon award of the contract. Failure to meet the proposed service schedule may result in penalties to the Administrator.

MINIMUM REQUIREMENTS FOR ADMINISTRATOR SERVICES

1. Design, Marketing and Implementation of Insurance Program

- a) Analyze project hazards and recommend appropriate level of risk retention and transfer and design an insurance program that protects the City from loss.
- b) Develop the underwriting submission/"scope of work section" for presentation and submit package to insurance carriers who can provide the coverage and program desired.
- c) Provide a thorough written analysis and evaluation of quotations from insurance carriers, including the electronic and sorting capabilities of their claims data system.
- d) Create a selection criteria matrix and coordinate the carrier selection and interview process.
- e) Facilitate negotiations with selected insurance carrier.
- f) Bind coverage and maintain insurance policies and coverage without lapses.
- g) Review policies to verify conformance with specifications; request, implement and monitor all required coverage changes; participate in the negotiation of policy renewals, premium pay-ins, audit returns, reconciliations of all monies, and buy-out provisions.
- h) Develop a notification letter to contractors notifying them of any property damage claims that may result in up to \$5,000 being withheld from their City construction contract for the contractor's general liability property damage deductible as outlined in the construction contract.

- i) Review City construction contract documents and provide analysis and recommendations with regard to changes in authority, wording, and forms. This document can be viewed on line at www.ci.austin.tx.us/aeservices/toc.htm (Standard Construction Documents. The insurance requirements are found in Section 00810).
- j) Ensure all endorsements and coverage forms are correctly indicated in the City contract documents and other applicable forms and manuals where appropriate.
- k) Coordinate adjustments and negotiations for close out of ROCIP VI program.

2. Policyholder Services Provided By the Administrator

- a) Be available during regular business hours to answer phone calls and field questions; coordinate ongoing insurer services between all parties, including but not limited to:
 - Providing assistance to contractor inquiries regarding elimination of insurance costs from bids,
 - Providing enrollment support to contractors who need assistance at time of award, and
 - Handling of all claims
- b) Aid in the coordination of all data gathering functions and processes between all parties by attending meetings as required and documenting final decisions.
- c) Communicate with and secure all data required for tracking purposes by following processes and procedures agreed to by all parties.
- d) Develop detailed Procedures Manuals for the Project Managers and the Contractors with written procedures and flowcharts for all functions and activities.
- e) Issue insurance binders, certificates, and policies to all contractors.
- f) Secure and maintain evidence of auto liability and other insurance (such as builders risk) required by the contract from all non-enrolled and enrolled contractors working on ROCIP projects. This evidence of coverage once collected shall be forwarded to City Contract Management.
- g) Secure and track WC and GL insurance coverage information for all enrolled contractors. Contractors are not required by the City to carry off-site insurance coverage.
- h) Give ROCIP presentation at all pre-bid and pre-construction meetings.
- i) Organize program status meetings every month during initial and peak program phases, and as required during program phase-out and provide meeting minutes to City within two (2) weeks.
- j) Provide a monthly status report, which includes detailed information concerning Contractor, Administration and Claims.
- k) Set up, coordinate and manage Insurer audit procedures and time lines, and collect and report payroll data from all enrolled contractors on a monthly basis.
- l) Verify the accuracy of any bills, audits, and other premium adjustments.

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- m) Provide presentations and written information to Associated General Contractors and other professional organizations, Project Managers, Inspectors and other professionals to disseminate general information about the program.
- n) Notify all enrolled contractors and project managers when ROCIP coverage no longer exists.
- o) Coordinate a quarterly working lunch or other workshop for enrolled contractors in order to provide additional information related to the construction industry and ROCIP VI claims activity. Attendance has been approximately 15 people. Expenses have been borne by the broker.

3. Claims Management

The City expects the Administrator to pro-actively manage the losses experienced under ROCIP VI. This includes close oversight of reserve handling procedures of the carrier and frequent communication with the adjusters during the claims handling process.

- a) Coordinate claims handling activities and processes between the carrier, City personnel, and the Administrator. Unbundling is not proposed; there are serious claims management concerns due to the number of different projects and poor claims reporting habits of the contractors. Administrator shall be required to assist in the management of claims reporting.
- b) Facilitate education and training of the contractors regarding claims reporting procedures.
- c) Provide on site claims services, when necessary, by interviewing witnesses and facilitating coordination of information required by the carrier.
- d) Monitor claims activity and provide this information in the form of a status report for the monthly meetings.
- e) Provide recommendations for medical cost containment and other methods for reducing claims costs; perform analysis of reserves and negotiate claims issues with the carrier. Coordinate quarterly claim review meetings between City and carrier.
- f) Assist City with all necessary support for the management of the contractors general liability insurance property damage deductible.
- g) Provide additional safety site inspection services, if requested, during peak enrollment periods of the program.

4. Risk Management Information System (RMIS)

The Administrator is responsible for providing a risk management information system (RMIS) that is fully capable of reporting all relevant information necessary for the successful management of the program and completion of the reports as indicated in **Attachments C & D** of this RFP.

5. Reports & Records

The City of Austin is tracking the performance of the ROCIP as a city program. The selected Administrator must have the capability to capture and provide essential data used to evaluate the success of the program. The Monthly Report, Net Cost Savings Calculation and Open Market Premium spreadsheets, as indicated below, contain information that is used as formal documentation for the results measure reported to the Budget Office.

- a) Monthly report to be provided at the monthly service meeting. This report shall at a minimum include:
 - ❖ Number of projects enrolled in the program, percentage complete for each project, number of completed projects, number of active projects.
 - ❖ Number of contractors enrolled in the program; number of enrolled contractors with no off site insurance, percentage of contractors identified as minority contractors by ethnic group (African American, Asian American, Hispanic, Native American, Women owned).
 - ❖ Claims summary to include all claims. This spreadsheet highlights all new claims, provides a breakdown between GL and WC claims, identifies project, GC, contractor and claimant, DOL and description of loss. Sorting capability is critical.
 - ❖ Premium recap providing projected values and payroll; completed project values, completed project payroll, losses for completed projects, losses to date for all projects
- b) The Net Cost Savings Calculation Spreadsheet (**Attachment C**) is to be provided monthly. This spreadsheet contains data on completed projects only.
- c) The Open Market Premium Calculation Spreadsheet (**Attachment D**) is to be provided monthly as backup for the Net Cost Savings Calculation. This spreadsheet contains the specific rate and payroll information for every contractor of every tier.
- d) Subcontractor Report, due the 10th of each month. This report is for the verification of the small & minority contractor participation for the Administrators contract, if applicable.
- e) Weekly enrollment report is to be provided to all project managers, Construction Safety Manager and others. This report is to help ensure all contractors providing construction services on site are enrolled in the ROCIP program.
- f) Prepare Annual Reports and a Final Report for the City's Risk Manager. Reports are to be Executive Reports and are due annually.
- g) Make all contractor files available to the City for audit purposes.

Administrator shall be responsible for storing and maintaining all paper records and documents associated with the ROCIP program for a period of five (5) years after the completion of the last construction project. The Administrator shall also back-up all data contained on any proprietary database and make these records available to the Owner upon contract completion.

Additional reports may be requested as deemed necessary by the City. All program information will be available upon request.

Legislation mandates municipalities comply with the Records Retention Act. The Administrator will assist the City by maintaining records as outlined above.

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6. Special Provisions

Commit that the named principal and other key personnel responsible for the project will not be removed by the Administrator from the account without prior approval of the City. Replacement of key personnel is subject to approval by the City's Risk Manager.

If selected to provide services, work performed in the marketing of the insurance shall be conducted without charge to the City if the City determines that the insurance quotations or provisions received through the marketing process are not viable.

Provide appropriate broker services until the insurance program provided by the carrier to the City is considered closed and final by the carrier, the City, and the Administrator.

Administrator shall be asked to perform as an agent of the City including issues related to confidentiality.

A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities is required.

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If you are selected to provide the City's ROCIP administrative services, the RFP and your responses to the RFP will be incorporated into the resulting contract.

PROPOSAL FORMAT

ALL FIRMS SUBMITTING A PROPOSAL MUST PROVIDE, IN DETAIL, THE INFORMATION REQUESTED BELOW IN THE ORDER PRESENTED.

1. EXECUTIVE SUMMARY

Provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, your firm's qualifications and a brief summation of the proposal.

2. ORGANIZATIONAL BACKGROUND AND OVERVIEW

- a. Indicate the name, physical address, telephone number, email address, and fax of the person in your firm authorized to negotiate contract terms and render binding decisions in contract matters.
- b. State full name and address of your organization and identify parent company if you are a subsidiary. Include your main businesses, number of offices and locations. Specify the branch office or other subordinate element which will perform, or assist in performing, work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.
- c. Provide a copy of your firm's most recent financial statement. If this is unavailable, submit sufficient information indicating the financial status of your organization.

3. ADMINISTRATOR EXPERIENCE AND SERVICES

- a. Submit evidence of your firm's experience in providing ROCIP/OCIP administrative services for other entities with programs comparable to the City's. Preference will be given to firms with applicable similar experience. Complete ***Attachment E, Commercial Market and Reference Information***, indicating insurance carriers that have provided OCIP and/or ROCIP coverages through your firm and account references that the City may contact. Highlight any OCIP's or ROCIP's involving governmental entities.
- b. Provide an introduction and resumes of management and all other staff and subcontractors that will be directly responsible for working on the City's ROCIP program. Complete ***Attachment F, Personnel Qualification Questionnaire***, for each position that will be working on the City's program.
- c. Discuss the relevant current market conditions for ROCIP's. Explain how workers' compensation rates may affect this market and provide specific knowledge of prior, current, and future anticipated workers' compensation rates and market conditions in Texas for Owner Controlled Programs.

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- d. Discuss creative techniques, processes or solutions that could be employed to ensure that contractors of all tiers are enrolled in the ROCIP and that the payroll for all tiers of contractors has been collected.
- e. Describe your philosophy and approach to the claims management services provided by your firm for the ROCIP. Include in your response your method for ensuring that each claim is recorded to the ROCIP program and that each claim is recorded under the appropriate contractor and the appropriate project.
- f. If your firm is selected to provide the services described in this RFP, you will be expected to negotiate specific performance measures with the City. Based upon achievement of performance, you will be paid the retainage that has been withheld from your invoices. Describe the types of performance measures that are representative of successful results for work performed and for which your firm is willing to negotiate and ultimately be held accountable.

4. ROCIP/OCIP CONCEPTUAL STRATEGY FOR PREMIUM AND COVERAGE PROVISIONS

- 1. Provide the City with the most accurate quote using the following parameters and without approaching the marketplace:

Construction Values at: \$450m

(see Attachment B – projects anticipated to participate in ROCIP VI)

Payroll Values at: \$69,750,000

(see Attachment H – anticipated payrolls by class code)

(see Attachment G – ROCIP V current payroll by class code provided to assist with rates)

Deductible at: \$250,000 Clash Deductible

Policy Limits: **WC/EL -- \$1m/\$1m/\$1m**
 Primary GL -- \$2m each occ/\$4m general & co/ops limit
 H&NO Auto -- \$1m CSL
 Excess Liability – at both \$23m and \$48m

YOUR QUOTE AND RESPONSE MUST INCLUDE THE FOLLOWING INFORMATION:

- i. the Average Contractors Workers' Compensation Rate
- ii. the Contractors Experience Modifier
- iii. the Contractor Mark-up %
- iv. the premium rates anticipated for WC, GL, EL and terrorism coverage
- v. the extension period your quote anticipates for products/completed operations
- vi. the Loss Conversion Factors anticipated
- vii. the projected Expected Loss Amount
- viii. the Minimum and Maximum Program Costs

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3. Provide estimated savings projections for the program you are recommending. Include cost savings projections at many different levels of loss picks, and estimate the range of losses the City can expect.
4. Specify the minimum premium charges and other demobilization costs that the City would be responsible for if the program was to be canceled midterm. Provide a specific example of costs that would be incurred and how they would be calculated.
5. Based upon your technical knowledge, how do most carriers apply the aggregate limits of insurance? Please include any timeframes and include how a 10 year extension period would be applied to projects.
6. The City expects the General Liability ***property damage to owner's property*** exclusion to be amended so that coverage will be provided for City owned utility and other underground property damaged by a contractor. Does your firm anticipate problems associated with the negotiation of this provision? What markets do you believe will be favorable to amending the property exclusion wording?
7. Specify the feasibility of and reasoning behind **including or excluding** each of the following under ROCIP VI: a) coverage for EFIS; b) warranty call back coverage; c) products coverage for off-site manufacturing or fabrication.
8. In your experience, what do most ROCIP/OCIP carriers require as conditions for participant enrollment and coverage? Many large projects may have day laborers working, are these workers usually covered by these types of programs and by owners? Explain.
9. The City has paid the carrier funds that have been held in a 'Loss Fund' from which losses within the deductible were paid. Due to the long close out time of these programs and the collapse of several large financial institutions and insurance carriers, the City expects a different type of financial arrangement that will protect the City's collateral. What type(s) of collateral arrangement(s) do you recommend?
10. What specific process does your agency plan to utilize in order to effectively and efficiently reconcile insurance carrier premium, loss fund, broker fees, audits, and adjustment paid in amounts with your client's financial records of these amounts for the many years required before the program is closed out?

5. MIS SYSTEM/PROCUDURES/ REPORTS

1. Describe the automated data collection capabilities available at your servicing office. Provide detail with regard to the exact types of information that your RMIS system can track. Can the system be customized for specific fields the City may want?
2. Provide detail on the various fields of data and samples of standard reports that can be provided by your current system. Can reports be customized? Can data be imported to Windows?

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3. The Administrator is required to prepare a monthly report for the City. Please attach a copy of a sample monthly report.
4. The Administrator is required to prepare an Annual Report for the City. Please attach a copy of a similar type report prepared by your firm for a client.

5. COST PROPOSAL

1. Proposers must provide the best possible pricing structure for the services described in the scope of work outlined in this RFP. In the past the pricing structure was based upon total hours at a cost per hour to arrive at the Total Not To Exceed Fixed Fee cost. The City anticipates a fee model such as a minimum cost per year based upon a designated minimum construction value with charges incurred over the minimum at a rate per million in construction or a rate per thousand of payroll or a rate per construction project. The City will consider any payment model that you want us to review.
2. A "not to exceed" fixed fee is required for the scope of work outlined in this RFP. Payment is anticipated to be made quarterly and your proposed fees must be supported with sufficient information to allow the City to evaluate whether the total cost is reasonable. Fees should be indicated on an annual basis for the anticipated 5 year contract term.
3. The City will retain 10 percent of the total invoice amount. Retainage will be paid upon achievement of performance as outlined in the contract that shall be signed with the selected firm. The City will negotiate specific performance measures with the selected firm before the contract is signed. The release of the retainage is anticipated to occur annually and will be dependent upon successfully meeting the stipulated performance measures. The Contractor's invoice shall indicate the amount due, less the retainage. Payment of the retainage by the City shall not constitute nor be deemed a waiver or release by the City of any of its rights and remedies against the Contractor for recovery of amounts improperly invoiced or for defective, incomplete or non-conforming work under the Contract.
4. Neither the Administrator, nor any of its subsidiaries, shall receive commission or compensation from insurance companies selected to provide insurance for this ROCIP.
5. The period of time over which the fees will be paid will be negotiated. Even if the fee ends at a specific point in time, broker services must continue until the applicable ROCIP program is considered closed and final by the carrier, the City, and the Administrator.
6. Indicate any discretionary services outlined in your proposal that are not included in your fees. In addition, indicate the method for determining the cost of any additional or supplemental services.

6. Part VII - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

- A. Proposers, including their officers, owners, agents, representatives, subconsultants, employees, or parties in interest:

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1. Shall not in any way collude, conspire or agree, directly or indirectly, with any person, firm, corporation or other Proposer or potential Proposer in regard to the amount of their proposal or the terms or conditions of their proposal.
 2. Shall not pay, or agree to pay, directly or indirectly any person, firm, corporation or other Proposer or potential Proposer, any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for fixing the prices in the proposal or the proposal of any other Proposer. Proposers shall not pay money or anything of value in the future for these purposes.
 3. Shall certify that none of the deciding factors set forth in the request for proposal or in the subsequent agreement were their idea or the idea of anyone representing their company, unless the suggestion was made at a meeting open to all Proposers, which all Proposers had notice of.
 4. Must attest that they had no involvement in the development, preparation, evaluation, or other decision making process for this solicitation, and that should the Proposer receive a contract award in response to their proposal, no agent, representative, consultant or subconsultant affiliated with the Proposer, who may have been involved in the development, preparation or evaluation or other decision making process for this solicitation, will have any financial interest, direct or indirect, in said contract.
 5. Must state that there are no other potential or actual conflicts of interest regarding this solicitation.
 6. Shall certify that no officer or stockholder of their company is an employee of the City of Austin, or an employee of any elected official of the City, or is related to any employee or elected official of the City of Austin.
 7. Shall not have undertaken or will not undertake any activities or actions to promote or advertise their proposal to any member of any City Commission reviewing the proposals, member of the Austin City Council or City staff except in the course of City-sponsored inquiries, briefings, interviews or presentations between the date that the Request for Proposal was issued and the date of award by City Council.
- B.** Proposers shall sign and return with their proposal, the affidavit of Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying located in section 0805 herein.
- 8. PROPOSAL ACCEPTANCE PERIOD:** All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal
- 9. PROPRIETARY INFORMATION:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed,

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however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

10. EXCEPTIONS:

Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

11. PROPOSAL PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of the Proposer.

12. EVALUATION FACTORS AND AWARD

A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. **Evaluation Factors:**

All proposals will be evaluated based on the following criteria and rankings. Maximum 100 points.

1. 25 points Administrator Background, Experience, and Services

The firm's background and experience associated with the administration of large Owner Controlled Insurance Programs; the firm's ability to manage these types of programs effectively; availability to large insurance markets specializing in these programs, and the experience of the personnel assigned to our program.

2. 35 points ROCIP/OCIP Conceptual Strategy for Premium and Coverage Provisions

The firm's ability to provide a financially sound conceptual strategy for the City's program that provides the most competitive premium, coverage provisions and loss arrangements that protect the City's funds.

3. 25 points Cost

Reasonable costs for services requested in the Scope of Work. Lowest cost proposal receives maximum points; percentage rations formula for remaining proposals.

4. 15 points MIS System/Procedures/Reports

The firm's automated data collection capabilities, ability to track and extract pertinent data associated with the program, report generating capabilities, and experience producing annual reports associated with the program.

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The City reserves the right to hold presentations. If presentations are held, than a maximum of 25 additional points shall be added to the matrix for those firms requested to make presentations.

ATTACHMENTS

Attachment A	Current ROCIP V Projects
Attachment B	ROCIP VI Project Identification
Attachment C	Net Cost Savings Calculation
Attachment D	Open Market Premium Calculation
Attachment E	Commercial Markets & References
Attachment F	Personnel Qualification Questionnaire
Attachment G	ROCIP IV WC Payrolls by Code
Attachment H	ROCIP V WC Payrolls by Code
Attachment I	ROCIP IV Net Cost Savings
Attachment J	ROCIP V Losses